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ABSTRACT

This publication contains proceedings of a pre-White House Conference on Aging Activity held in May, 1980. The meeting was designed to (1) provide a labor/management forum for review and discussion of problems and issues arising out of a progressively aging population and workforce; (2) explore practical matters which can be resolved by employers or by unions individually, as well as those which might be resolved through collective bargaining; (3) identify national policy issues for the agenda of the White House Conference on Aging of 1981. Proceedings are summarized and organized according to these topics: background perspectives on employment and the older worker; the employment/retirement continuum; management viewpoints; organized labor viewpoints; employment/retirement flexibility; special issues of retirement; productivity and performance; and national policy issues for consideration by the White House Conference on Aging. Delegates, who included representatives of labor unions, management executives, observers from the White House, and staff from social service agencies, identified issues such as extension of mandatory retirement ages, flexible retirement policies, productivity as related to age, longer lifespans, the growing number of older workers, and Social Security benefits to be discussed further at the White House Conference. (KC)

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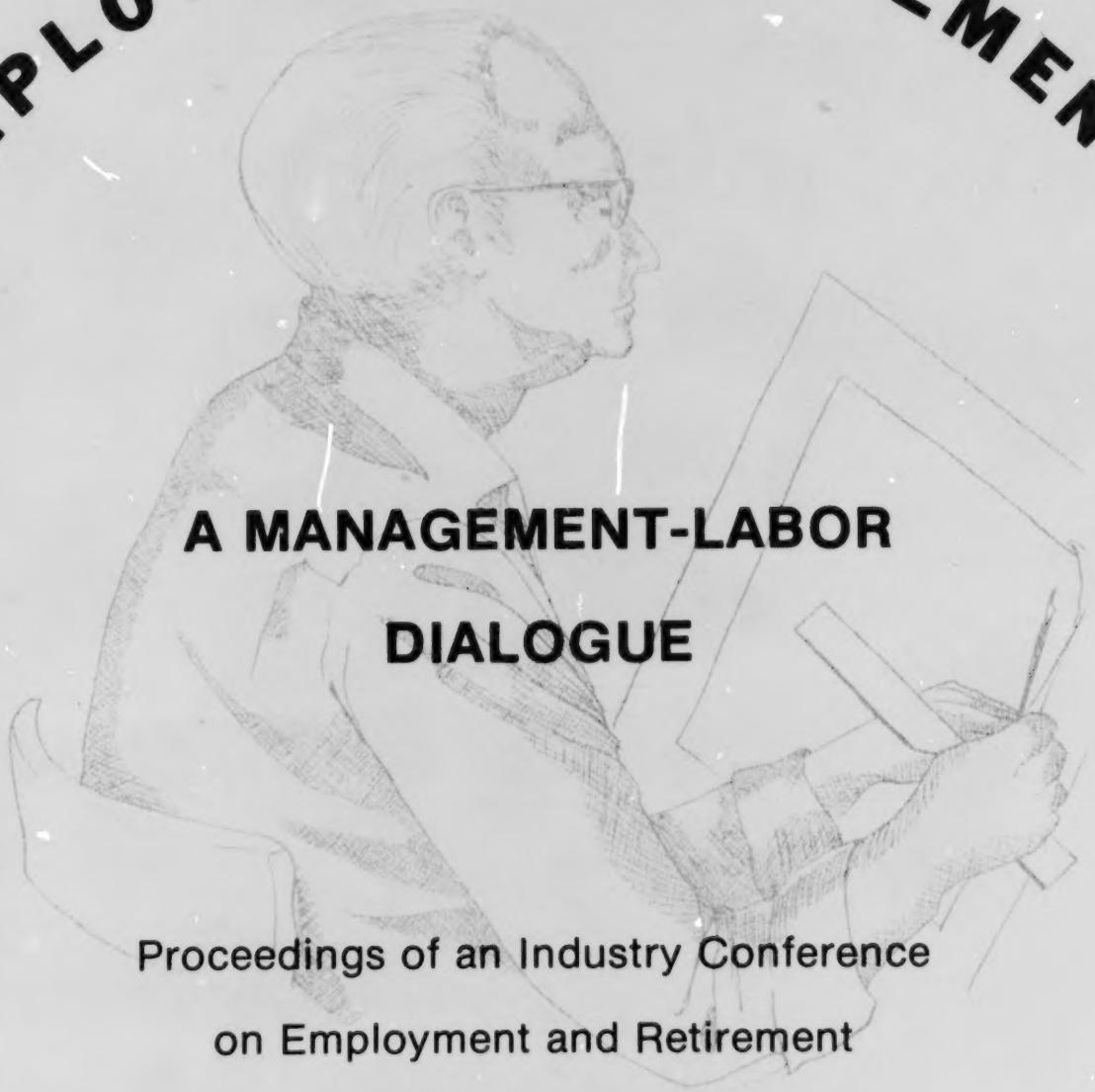

A MANAGEMENT-LABOR DIALOGUE

Proceedings of an Industry Conference on Employment and Retirement

A PRE-WHITE HOUSE CONFERENCE ON AGING ACTIVITY

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EMPLOYMENT & RETIREMENT:
A Management - Labor Dialogue

Proceedings of an Industry Conference
on Employment and Retirement

Edited by
Hilary Fleming Knatz

Norman Sprague
Project Director

May 18 - 20, 1980
Annapolis, Maryland

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INTRODUCTION

FOREWORD

These are the Proceedings of an Industry Conference on Employment and Retirement: A Pre-White House Conference on Aging Activity. This conference was held in Annapolis, Maryland, May 18-20, 1980.

The purpose of this note is to describe the rationale for the organization of these Proceedings. The book opens with the program for the conference. As we have arranged the presentations, they do not follow the program in strict chronological order, but rather are grouped topically.

The sessions were recorded. Working from the transcription, we have shortened and paraphrased the presentations and discussions. Because speakers have not had an opportunity to review the material, responsibility for the summaries rests with the editors.

The conference covered both employment and retirement. We have stressed, to a degree, the subject of employment because the President's Commission on Pension Policy, in existence before and after this project, is doing an excellent job on retirement policy. For readers who wish to know more on the subject, we would refer them to the publications of that organization.

We wish to thank all presenters and participants. Obviously, without their enthusiasm and effort, there would be no Proceedings.

The co-chairmen of this conference were Daniel Knowles and Charles E. Odell. Mr. Knowles, Director of Personnel for Grumman Aerospace Corporation, has been in the forefront of corporate concern for the older worker. Mr. Odell has been toiling in this vineyard for decades, at one time for the United Automobile Workers, later as Director of the U.S. Employment Service. We very much appreciate their deep and steady involvement.

We would like to thank Dr. Timothy Costello, President of Adelphi University, for his long and valued support of our work in aging, employment and retirement. Elaine B. Jacks, Director of the Center on Aging, a mental health specialist, has always shown an unusually strong commitment to the industrial aspects of aging. We express our thanks to Olga Danelius, Secretary to the Center and to Estelle Deutch, Secretary to the conference project.

We thank Dr. Gideon Horowitz of the Adelphi University School of Social Work for conducting an evaluation of this project, and Bryna Lansky for developing a bibliography specifically for the participants.

Finally, appreciation is expressed to Hilary Fleming Knatz, Research and Editorial Associate, who worked long and hard on this project and culminated her efforts by editing these Proceedings.

Norman Sprague
Staff Associate
Employment and Retirement Programs
Adelphi University Center on Aging

Conference Director

September 29, 1980

PROGRAM

SUNDAY EVENING, MAY 18, 1980

6:30 p.m. Reception

MONDAY MORNING - MAY 19

8:30 a.m. Registration and Coffee

9:00 a.m. Introduction ..... Norman Sprague

Jerome Russell Waldie
Executive Director
White House Conference on Aging
Washington, D. C.

9:30 a.m. Background ..... Harold L. Sheppard
Counsellor to the President on Aging
The White House
Author of
"The Graying of Working America"

Questions and Discussion

10:15 a.m. Coffee

10:30 a.m. An Industry Viewpoint ..... Daniel E. Knowles
Director of Personnel
Grumman Aerospace Corporation
Bethpage, N. Y.

A Labor Viewpoint ..... Larry Smedley
Associate Director
Social Security Department
A.F.L.-C.I.O.

Questions and Discussion

MONDAY AFTERNOON - MAY 19

12:30 p.m. Lunch

2:00 p.m. A Case Study Presentation ..... Philip M. Stefanini
Group Personnel Director
United States and Canada

and

Kathleen F. Morris
Associate Personnel Director
Rohm and Haas Company
Philadelphia, Pennsylvania

Monday Afternoon (continued)

Case involves a plant where the average age of the workforce is over 55, and a major portion of the employees will soon be eligible for retirement. Issues raised include retirement flexibility, limitations of ADEA and ERISA, management and union interests and differences.

2:30 p.m. The Employment/Retirement Continuum

The Age Discrimination in Employment Act ..... Michael Batten
Industrial Gerontology Consultant
Washington, D. C.

Pensions ..... Thomas C. Woodruff
Executive Director
President's Commission on Pension Policy
Washington, D. C.

Panel of Respondents

Ronnie J. Straw
Director
Development and Research Department
Communications Workers of America
Washington, D. C.

Thomas S. Litras
Director of Personnel:
Engineering and Research
U. S. Steel
Pittsburgh, Pennslyvania

Charles M. Loveless
Counsel for Employee Benefits
Department of Public Policy Analysis
American Federation of State, County and Municipal Workers
Washington, D. C.

Joseph S. Perkins
Corporate Retirement Administrator
Polaroid Corporation
Cambridge, Massachusetts

4:30 p.m. Questions and Discussion

Case Study Resolution

5:15 p.m. Refreshments

TUESDAY MORNING - MAY 20

9:00 a.m. Employment/Retirement Flexibility ..... Maureen E. McCarthy
Vice President for Program Development
National Council for Alternative Work Patterns
Washington, D. C.

Panel of Respondents

Robert Peterson
Secretary-Treasurer, Local 101
International Typographical Union
Washington, D. C.

Anna Marie Buchmann
Vice President, Human Resources
Bankers Life and Casualty
Chicago, Illinois

Douglas Kuhns
Assistant Director of Research
International Association of Machinists
and Aerospace Workers
Washington, D. C.

Questions and Discussion

10:30 a.m. Coffee

10:45 a.m. "The Future of Older Workers in America"
Highlights of a Study ..... Robert Zager
Vice President
Work in America Institute
Scarsdale, N. Y.

Panel of Respondents

Fred Black
Manager of Special Interest Group Programs
General Electric
Fairfield, Connecticut

Daniel Berman
Oil, Chemical and Atomic Workers
Denver, Colorado

Questions and Discussion

11:15 a.m. Case Study Reports ..... Philip M. Stefanini
Kathleen F. Morris

Questions and Discussion

TUESDAY AFTERNOON - MAY 20

12:30 p.m. Lunch

2:00 p.m. Productivity and the Older Worker ..... Frank Schiff
Vice President and Chief Economist
Committee for Economic Development
Washington, D. C.

Retirement Income Security ..... Kenneth McLennan
Director of Industrial Studies
Committee for Economic Development
Washington, D. C.

Questions and Discussion

3:00 p.m. Summary of Issues:

Solutions at the Workplace and
National Policy Issues ..... Charles E. Odell, Sr.
Former Director
Older and Retired Workers Department
United Automobile Workers
Former Director
U. S. Employment Service

4:00 p.m. Adjournment

WELCOME AND INTRODUCTION

Norman Sprague

I would like to welcome you to this conference.

This meeting is a pre-White House Conference on Aging Activity, designed to: 1) provide a labor/management forum for review and discussion of problems and issues arising out of a progressively aging population and workforce; 2) explore practical matters which can be resolved by employers or by unions individually, as well as those which might be resolved through collective bargaining; 3) identify national policy issues for the agenda of the White House Conference on Aging of 1981.

Our goal is to provide for a free exchange of viewpoints, recognizing that widely differing interests and philosophies are represented here. This conference is not designed to settle differences or generate unanimous conclusions, but rather to identify issues which need to be resolved elsewhere. Where we cannot agree, therefore, we will "agree to disagree".

We are a meeting of about sixty persons divided almost exactly equally between management and labor representatives. Additionally, there are observers here from the Administration on Aging, the Department of Labor and the relevant Senate and House Committees. There are observers here from selected voluntary agencies.

In order to facilitate a free flow of ideas, the press has not been invited to attend. We felt that their presence might inhibit the exploration of issues.

Before this conference, we distributed various background material, including a reprint from the Harvard Business Review, a summary of the research by Hilary Knatz, an annotated bibliography, and a discussion by Julia French of the regulations under ADEA. In your kits are a background paper by Michael Batten, and a book prepared by Harold Sheppard for the Labor Department. Also available is a chart book on age audits by Daniel Knowles of Grumman Aerospace.

We also distributed questionnaires to you seeking your views on issues. One issue cited by management is the need for revisions in Social Security and amendments to ERISA, so that there can be a gradual transition into retirement. Also cited by management was abolishing mandatory retirement, stimulating part-time employment by retirees and a defined older worker policy.

From the labor side, a defined older worker policy and a full-employment policy take first priority. Second career training programs, abolishing mandatory retirement, and stimulating part-time employment for older workers are also cited by representatives of organized labor.

It is evident that there is a coincidence of interest in some areas.

At the end of this conference, evaluation forms will be distributed to the participants so that we can again get a feel for what you see the issues to be. Combining the pre-conference and post-conference material we will develop a compendium of issues.

I hope you have a good time and go away with some new ideas.

GOALS AND STRUCTURE OF THE 1981 WHITE HOUSE

CONFERENCE ON THE AGING

Summary of introductory remarks by

Jerome R. Waldie
Executive Director
White House Conference on the Aging

Let me try to identify where this industry meeting fits into our tentative plan for the White House Conference on the Aging.

This conference is held every ten years at the call of the President then in office. Preparations for this conference began in the summer of 1979, and the leadership was established in January, 1980. In planning for this conference, we looked at previous conferences and instituted a number of changes. First, we sought to devise a conference that would make the role of the delegate a much more important role, a role of an "actor", rather than a "reactor". Second, we have tried to make certain that the participation from all local communities, states and regions, through discussions and meetings, such as this one, will be utilized in a proper manner, so that it will become part of the agenda for the conference. We want the views and opinions expressed on issues to be understood by the delegates and incorporated into the results of the conference. Third, we have tried to expand input from the minority community regarding aging issues and integrate it into the conference as a whole. And finally, we have tried to pay more attention to the issue of private sector involvement in the issues and the solutions. In particular we have tried to provide opportunities for the business and corporate community. Labor's participation in past conferences has always been good, and in the 1971 conference it was particularly contructive and important.

Keep in mind that a White House Conference has no policy authority, but recommends solutions in the way of policy to both the public and private sectors. So to address the frailties of previous conferences, we have constructed essentially a legislative conference for 1981. We have reduced the number of delegates from 4,000 to 1,800 -- partially for budgetary reasons -- but we plan to utilize them in a more substantial manner to come up with policy recommendations. They will be selected six months prior to the conference, and during the next months they will be participating as committee members, holding hearings on the issues that will ultimately be resolved in terms of recommendations in the conference.

The pre-conference activity at the local, state and regional levels will be concluded by May, 1981, and all the reports will be submitted, both to the governors of the states for inclusion in their conferences, and to the national office of the White House Conference for inclusion in the agenda. Certain reports will be included in the delegates' workbooks, so that each delegate will have a specific report on specific issues, compiled by those people most concerned with that issue.

We have assured that minority input into the conference will be enlarged by substantially increasing the number of minority delegates. The technical committees which prepare background papers for the conference will similarly include minority participation, so that the minority viewpoint on every issue will be visible.

In terms of this meeting, we will extract those issues which emerge from the conference process. We will assign them to a particular group for intensive scrutiny and then place them back in the conference as an example of the thinking of a special interest group with great expertise on the issue. They will not necessarily be presented as the conclusion of the White House conference staff or the technical committees. A similar process will be followed for other salient issues.

The problems you are working on have considerable importance to us. We are increasingly aware that the demography of the country has presented challenges, opportunities and problems to policy-makers which have not fully been contemplated. We hope that the White House Conference on Aging will act as an impetus to begin the examination and policy formation to reflect the demographic changes in the country. We are increasingly concerned about the prospect, discussed in Harold Sheppard's book, The Graying of Working America, that intergenerational tensions will come ever more into play, as the issues are couched -- I don't think accurately -- as less producers and more dependency by the aging population. The problem becomes more critical as producers diminish, together with productivity. It is not clear that productivity will increase in the future sufficiently to support the increasing benefits and income that we have committed to those workers leaving the work force. I have questions about phrasing the debate in these terms, but the issue is not yet receiving proper recognition. It is beginning to surface. We have an opportunity in the 1981 White House Conference on Aging to make a recommendation to the public and private policy-makers in this country. The extent to which this is fulfilled will depend on the work of groups of Americans like you.

BACKGROUND

PERSPECTIVES ON EMPLOYMENT AND THE OLDER WORKER

Summary of a presentation by

Harold L. Sheppard
Counsellor to the President on Aging
The White House

I think this will be the first time that a White House Conference on Aging will have focused so explicitly on issues of aging and employment. This is partly a sign of the changing realities in our population profile and in our economic conditions. There are also changes on the biomedical side, which I don't think are getting enough recognition.

My job today is to provide some perspectives on this general issue of employment and the older worker. There is a civil rights or constitutional dimension to this issue, which has often been neglected. It was the primary basis for the passage of the Age Discrimination in Employment Act of 1967. The amendments of 1978, raising the age of mandatory retirement, had to be passed because of the civil rights dimension, and also because of the vast body of literature we now have showing the irrelevance of age to work performance and the disutility of using the date of a person's birth certificate as a predictor of work performance. The attention of international bodies, such as the International Labor Organization, which will discuss this matter in June, 1980, and the United Nations, which plans a conference in aging in June of 1982, indicates that this is not some idiosyncratic American phenomenon but is an international issue. This is significant.

The issues that are emerging now are not identical to those of the past. On the biomedical side, contrary to the expectations of all the so-called experts, there has been a fantastic increase in life expectancy, not only at birth but at the upper ages. This is regardless of race or sex, I might add. One of the reasons is the remarkable drop in death due to cardiovascular diseases in this country and the greater health-consciousness taking place in our population. The practical

impact of this phenomenon is that those making projections into the twenty-first century have had to revise their estimates. In 1970 they predicted 28.8 million Americans 65 and over by the year 2000. By 1977, they had to revise the projection up to 31.8 million. That is a 10% miscalculation. How would you like to be a manager of a pension fund where your actuaries tell you that in twenty years you have 10,000 retirees to fund, and twenty years later you have 11,000 people to be responsible for? These are the issues we have to face. We have to revise the doctrine that there will not be any improvement in life expectancy at the upper ages.

Among the many solutions is the re-examination of current work patterns and utilization of older workers. To me, this sets the stage for the kinds of discussions you should be having at this conference, as well as for a very important part of the White House Conference on Aging of 1981. By this, I do not mean delayed forced retirement, forcing people in hazardous occupations or dissatisfying jobs to continue working. I am talking about different measures to encourage workers to stay on and to orient managers about the capacities of older workers. This means a reexamination of those policies that lead toward such negative phenomena as obsolescence of skills.

With regard to minority impact, you may recall that one of the arguments used against raising the age of mandatory retirement was that it would either purposefully or indirectly work against minority groups. Somehow, this conveys the impression that blacks and women never get old. However, the fast growing group between ages 40 and 69 are the non-whites. Between now and 1990 they are expected to increase up to 27%, as opposed to 13% for whites. At the same time, we can expect with the diminishing fertility rate that the teen-age employment problem will diminish in salience.

The real issue is going to be: how do we make sure that the 40 to 69 work force become the truly productive contributors to the economy, so that we can really afford a decent standard of retirement living for the "old-old"?

THE FUTURE OF OLDER WORKERS IN AMERICA:

HIGHLIGHTS OF A STUDY

Summary of a presentation by

Robert Zager
Vice President
Work in America Institute

This will be a brief summary of the findings and recommendations of a policy study recently completed by the Work in America Institute under grants from the Rockefeller Brothers Fund and the Commonwealth Fund. These findings are recorded in a final report and case book of progressive practices, available as of July, 1980.

Our central finding is that the future of our older workers is still hanging in the balance. Powerful economic, demographic and social factors are pulling toward the extention of working life. Others, largely deliberate public and private policie are pulling in the other direction. We believe the balance will tip towards extentic of work life, but no one can be certain when this will occur.

Diminishing labor force participation of older men is related to a variety of factors. Social Security coverage is enjoyed by increasing numbers of people. And the size of the monthly benefit has increased over tenfold since 1950. The earnings limitation, by which benefits are reduced if one earns money, is widely believed to have caused older people to stop working. Other factors include liberalization of disability benefits, expanded private pension coverage, mandatory retirement and early retirement programs, poor health, a shift from farming to industry, competitio from greater numbers of female and younger workers, and an increase in per capita wealth.

Future changes in Social Security and tax laws, a rise in the age of mandatory retirement, indexation of pension benefits, and the need to retain older workers may deter employers from encouraging early retirement. Inflation and the rise in the ag of mandatory retirement may induce employees to wish to remain. Improvements in hea vigor and longevity may be factors. Rising educational levels of older workers mea

that a higher proportion will have interesting jobs and therefore have a stronger desire to remain. Expanded use of flexitime and part-time will make extended work life more attractive.

Forces pulling in the other direction include: discrimination against older people, especially in hiring, insufficient employment opportunities, greater labor costs of older workers, union emphasis on pensions and on sharing the pool of jobs, and negative stereotypes about the health, vigor, competence, productivity and ambition of older workers, which become self-fulfilling prophesies.

Come what may, employers in the 1980's will have millions of older employees, and will have to find ways to enhance their productivity and the quality of working life. They will have to reshape policies and practices to improve the workplace for all workers. By and large, employers are receptive to moving with new social expectations. They must satisfy a variety of diverse needs: their own needs, their workers' needs and lifestyles, and the need for efficient personnel practices.

The underlying principles of our report are these:

1) The extension of work life is socially and individually desirable but should come about by choice, not coercion.
2) The value of a worker should be judged by his merit, not his chronological age.
3) A healthy employee at age 50 should be regarded as having the potential of 20 productive working years ahead.
4) It is in the employer's self-interest to sustain the productivity and motivation of any employee who continues working beyond the normal age of retirement.

These principles lead to three broad recommendations:

1) An older worker should be offered opportunities as attractive as those offered any other worker of similar competence, vigor and ambition.
2) Age neutrality should be designed into the critical personnel policies - hiring, separation, benefits, performance appraisals, career counseling,

pre-retirement counseling, training and development.

3) New options for extended working life can make older employees valuable to the employer and the job more desirable to the employee. These include redesign of work schedules, redesign of jobs, transfer and reassignment, reassignment with lesser responsibilities, work-education combinations, part-time work, phased retirement, recall of annuitants, second careers, small business opportunities, and out-placement.

I recommend our case book, based on information provided by 170 organizations on how many of these options are being implemented.

THE EMPLOYMENT/RETIREMENT CONTINUUM

ISSUES OF RETIREMENT:

PRELIMINARY FINDINGS OF THE PRESIDENT'S

COMMISSION ON PENSION POLICY

Summary of a presentation by

Thomas C. Woodruff
Executive Director
President's Commission on Pension Policy

We at the President's Commission are half-way through our work. We have an Interim Report issued as of June, 1980, which highlights general broad issues of retirement income policy which we want debated before we issue our final report. I should like to take some time to give a background on the way the Commission is viewing retirement policy and how this relates to the issues of this conference.

In this country there has been a growth of pension and retirement programs since 1940. However, large gaps still exist in our system, and many retired people still are not covered by pension plans. Statistics show that people covered by pension plans rarely experience poverty. The Commission concludes in its Interim Report that at this time top priority should be given to providing a balanced program of employee pensions, Social Security and retirement savings programs to all workers.

What we, in this country, call the three-legged stool of retirement income is Social Security, private pensions, and savings. Recently earned income has been added to discussion. Changes in the opportunity for older workers to contin to earn income could dramatically influence the shape of our pension system.

There has been a dramatic growth in retirement programs in the past two decades. Total retirement, disability, and survivor benefits programs have grown from 2% of annual GNP in 1950 to over 8% in 1975. By 1976 federal programs, including Social Security, Railroad Retirement and federal employee plans, accounted for over 76% of all benefits paid. While private plans grew

dramatically from 1940 to 1960, when they reached a coverage rate of about 41%, since that time the growth has slowed. By 1975, only 49% of private sector work force was covered. Two surveys, one by the Commission, and another by the Social Security Administration, indicates this coverage has not increased since 1975. Workers who fare well in the pension system tend to be those who are public employees, union members, or employees of large employers. Women workers do not fare well. They are less likely to participate in pension plans or be entitled to benefits: their vesting rates are substantially lower.

The near universal coverage of Social Security but lack of broader pension coverage creates essentially a two-class system of retirement income in this country. People who receive Social Security and employee pensions are likely to have an adequate retirement income, although there are indexing problems in private pensions. Many people who receive only Social Security are at or near the poverty level.

I should like to touch on some of the general directions which the Commission would like to see retirement policy move in.

The Commission states that public policy should be directed toward insuring that the total income for the aged, from all sources, be adequate to maintain their standard of living. We endorse Social Security in providing a minimum floor of protection, but believe that other programs supplementing this basic floor must be increased. The Commission concludes that it may not be wise for this country to rely so heavily on the pay-as-you-go Social Security system to provide all income from low and moderate income workers. The Commission, therefore, concludes that serious consideration be given the establishment of a universal minimum advance funded pension system for this country. This could be either an advanced funded tier of Social Security that would permit contracting out to existing pension plans that meet its standards, or a universal employee pension system with some sort of central portability clearinghouse.

The Commission feels that voluntary saving for retirement should be encouraged through new approaches to tax and other policies. Current policies are complex and inconsistent and do not encourage savings for those who need it most -- the low and moderate income workers. Utilization of individual retirement accounts indicates that the tax incentive involved increase participation for the high waged workers, not those with low and moderate incomes.

In addition, the Commission has concluded that as a general principal, vesting requirements should be substantially shortened. The Commission also suggests a number of changes with regard to tax policy, the treatment of spouses, Social Security coverage, and disability benefits. We should start covering some of the benefit gaps.

Along with specific reforms the Commission believes that the nation's concept of retirement must be redefined. Today retirement is thought of as going from full-time work to full-time leisure. This sudden change may not be desirable either for the individual or for the retirement system. While affirming the right of every American to normal retirement at a stipulated age, the Commission recommends some general proposals to encourage work opportunities for older workers. We therefore express a desire to have public policy efforts encourage the greater utilization of older workers, both full and part-time.

In concluding I should like to highlight some of the specific recommendation of the Commission. One is the mandatory or universal pension system. The Commission also recommends that the replacement of preretirement disposable income be a desirable goal for retirement income policy, with the greatest emphasis at this time on expanding programs for individuals to provide for their savings and to supplement their existing plans. A number of recommendation are made for simplification of tax policy. Commission staff is studying the question of tax credits for low and moderate income people to substantially increase their rate of savings. In regard to Social Security taxation, benefits

and earnings tests, the Commission recommends that we phase into a system where Social Security contributions not be subject to tax, that the tax be deferred, and that eventually benefits be included as income subject to the progressive tax structure. Parallel to this is the recommendation that earnings test for benefits be removed.

In looking at retirement age, the Commission felt that we need to redefine the social contract for future generations, so that we would phase in a system in which future generations of retirees could expect the same proportion of retirement years to adult years throughout future generations. Hence, the retirement age would be recomputed based on average life expectancy for retirement years of that cohort, so that each cohort could expect the same proportion of their adult life to be spent in retirement.

As mentioned, the Commission made a number of recommendations concerning the need for study and demonstration programs, and for federal programs to encourage the voluntary increased participation of older workers in employment.

With the issuance of this Interim Report the Commission hoped to establish broad, long-term objectives to encourage dialogue over the next year. With the issuance of our Final Report at the end of February, 1981, we hope to establish substantial research and policy documentation for the White House Conference on Aging to continue the debate. We feel many of these issues need long discussion. We hope that over the next year we will provide a good framework for White House Conference deliberations.

RETIREMENT INCOME SECURITY

Summary of a presentation by

Dr. Kenneth McLennan
Vice President
and
Director of Industrial Studies
Committee for Economic Development

I would like to present the viewpoint of the Committee for Economic Development (CED) on some of the important issues on retirement. CED is comprised of 200 trustees -- mostly senior executives of corporations and senior academicians -- and a group of academic advisors. Our organization's membership consists of a large number of retirement systems and also suppliers of private pensions.

Generally, we deal with retirement issues from a policy point of view. We see a very unfortunate coincidence of developments -- social, demographic and economic -- which are creating an impending crisis for retirement systems. We see it as a crisis, not for the year 2000 but for next year, and the next five years. I think policymakers also hold this view.

We have in the past decades seen a substantial improvement in income security for the elderly. In the 1960's, some 35% of the elderly had incomes below the poverty level. That rate has decreased to approximately 14%. However, at the same time, we have developed an economy in which a large proportion of workers have seen their real incomes falling. Since retirement income is based on a dependency, the claim to retirement income security concerns all.

One area of increasing concern is the tendency to index benefits, especially in public pensions and Social Security. Private pensions are also indexed but at much lower levels. The questions to be raised are: How much should pensions be indexed? Should it be 100% or should there be a cap on inflation protection? We are going to spend a great deal of time studying this issue.

Another issue of concern is the age of eligibility for Social Security

benefits. We are hearing a lot of talk about raising the age. We feel that we cannot solve the financing of this or, perhaps, any pensions system by simply tinkering with the system. We need a more fundamental change in policy. Changing the retirement age may be one solution.

We are also dealing with issues related to how we tie the disability issue to the retirement system. Many of us feel there should be a separation between disability and retirement income.

Another issue is the question of capital formation. There is little doubt that a healthy economy needs the ability to invest in plant and equipment. Is the Social Security system displacing capital away from investment? A majority of the academic opinion is that this is the effect.

Our group will likely address the following issues:

- The need to resolve the problem of inflation's impact on retirement income
- The need to better coordinate the roles of several elements of our retirement system -- Social Security, pensions, individual retirement plans
- The need to deal with issues of survivor benefits, especially where women have a dependency relationship and there is a high divorce rate
- The need to move toward much more flexibility and options for people approaching retirement age
- The need for greater labor market participation for women, both to contribute economically and to provide themselves with some income security in retirement
- The need for change in vesting provisions, to provide more flexibility in the movement of labor from one industry to another
- The need to review the whole question of worker representation in the decision-making in the use of pension funds. The increasing pressure for "social" investment is of considerable importance because of its detrimental effect on the benefits of achieving the most efficient use of scarce investment resources.

These are issues which will require the participation of all groups in society, especially the labor unions, if we are to have a successful reform of retirement systems which will provide adequate income security for older workers.

ISSUES OF EMPLOYMENT: THE A.D.E.A. AND POLICY CONSIDERATIONS

Summary of a presentation and background paper by

Michael Batten
Industrial Gerontologist

I would first like to mention how pleased I am, as are a great number of people, about the depth of the President's Commission on Pension Policy's approach to this whole problem. It is taking a profound look forward into the retirement benefit system, trying to rationalize it, and also looking back into the structure of work. The realization has come that employment and retirement issues are inextricable. When we try to separate them artificially, we wind up getting in trouble. My presentation today will deal with the employment side of the employment/retirement continuum and will examine some of the long and short-term policy considerations involved.

The 1978 amendments to the Age Discrimination in Employment Act (ADEA)[1] have raised a number of concerns and policy issues for both management and labor. While older workers are not expected to change dramatically in the rates of early and normal retirement, there are a number of long and short-term issues which will affect personnel and retirement systems over the coming years.

In the short term, changing mandatory retirement rules will not be all that simple. There are federal regulations that affect pensions and other employee benefits such as life, health and disability insurance. The next paper will deal, in depth, with some of the implications. An additional short-term consideration will be the content of the ADEA itself. Neither employers nor unions are very familiar with the provisions and the litigation that has developed around the Act. It is instructive, therefore, to take a closer look at the law and litigation to explore age-related policies which affect present personnel and retirement practices.

In the long term, we can look forward to an additional five million individuals over 65 by the end of the decade.[2] At the same time, labor force participation rates in this group are expected to decline. Given inflation and energy costs, the question is raised as to whether we can -- or should we -- afford large numbers of older and allegedly healthier persons living in "full" retirement. Issues of raising normal retirement age or early eligibility age for Social Security are raised. A 1979 Harris poll[3] indicated that more older workers than expected stated that they might defer retirement and early retirement decisions because of economic pressure. Any group concerned with future policies must come to grips with these issues now.

The phenomenon of age discrimination in employment is very complex. It seems to be caused by a number of factors including beliefs about limited abilities of individuals as they age, expectancies that older workers are supposed to retire at a specific time, and sheer prejudices which hold that being young is better. An important study of the subject was the one done by the Department of Labor under

a mandate by Title VII of the Civil Rights Act of 1964.[4] It became an important factor in the development of the ADEA. Major findings included the following:

- Unemployed older workers actively seeking work suffer substantially longer terms of joblessness than do their younger counterparts. This is a documented and long-standing trend--which still continues. The pattern can be attributed in part to a lack of job-seeking skills held by older workers. It can also be attributed to unwillingness of employers to hire older workers. The term of joblessness becomes acute for most workers after the age of 40..

- Many employers utilizing the services of the United States Employment Service specified on job orders that they want no referral of applicants over the age of 45 and even less so job seekers over 55. This also has been a long standing pattern. In the absence of federal law to prohibit the practice, or in states with age statutes but weak enforcement capacity, there is little that can be done to change the pattern.

- Many employers interviewed over the course of the study stated openly that they felt older workers were less productive than younger workers, could not adapt to changing job requirements, were untrainable and were too costly to hire in terms of higher wage/salary demands and employee benefit costs.

- Older workers interviewed for the study stated that they felt they encountered age discrimination when seeking a job and less favorable treatment than younger workers in the personnel system. Many simply chose to retire early because they believed employers wouldn't hire them on account of their age.

There are, of course, many other factors involved in age discrimination, but the effect of the report and subsequent Congressional hearings were enough to lead to the enactment of the ADEA in 1967. It is important to note the major provisions of the Act.

The purpose of the ADEA reads as follows:

> It is therefore the purpose of this Act to promote employment of older persons based on their ability rather than age; to prohibit arbitrary age discrimination in employment; to help employers and workers find ways of meeting problems arising from the impact of age on employment.

Early sections of the ADEA call for positive employer education programs but the major prohibitions--which are similar to those provided by Title VII of the Civil Rights Act--are stated in Section 4(a) of the statute. Thus, the ADEA, as amended, makes it illegal for employers:

> To fail, or refuse to hire or discharge any individual or otherwise discriminate against any individual with respect to his compensation, terms, conditions or privileges of employment because of such individual's age.

The statute, as amended, applies to public and private sector employers of more than 20 workers. It also covers labor organizations with 25 or more members. Public and private employment agencies are covered by the Act to the extent that these agencies cannot refuse to refer an applicant to a job because of his or her age. In addition, employment agencies may not accept age stipulations on job orders.

As is the case with most regulatory laws, there are exceptions. Thus, Section (f) of the ADEA, as amended, reads as follows:

> (f) It shall not be unlawful for an employer, employment agency or labor organization:
>
> (1) To take any action otherwise prohibited under subsections (a), (b), (c), or (e) of this section where age is a bona fide occupational qualification reasonably necessary to the normal operation of the particular business, or where the differentiation is based on reasonable factors other than age;
>
> (2) To observe the terms of a bona fide seniority system or any bona fide employee benefit plan such as a retirement, pension, or insurance plan, which is not a subterfuge to evade the purposes of this Act, except that no such employee benefit plan shall excuse the failure to hire any individual, and no such seniority system or employee benefit plan shall require or permit the involuntary retirement of any individual specified by Section 12(a) of this Act because of the age of such individual; or
>
> (3) Discharge or otherwise discipline an individual for good cause.

It should be noted that the 1978 amendments also permitted other exceptions.

- It is permissible to mandatorily retire certain business executives and key policy makers when such individuals are entitled to a pension --not including Social Security--of $27,000 per year at age 65.

- Tenured faculty at institutions of higher learning can also be retired at age 65--until July, 1982, when the age 70 rule will apply to this group.

- In addition, the limitations on participating in a pension plan and the restrictions on pension accrual after age 65, mentioned earlier, constitute further exceptions. Other lower employee benefits are also allowed for older employees when the reductions can be justified in terms of costs. This covers life insurance, long term disability but not health, since the over 65 worker is eligible for Medicare benefits, and an employer health benefit reduction could not be justified on a cost basis.

The ADEA, then, is a limited civil rights protection. It is as if society doesn't want to believe that older workers are less able or more costly to maintain--but on the other hand supports those beliefs through critical exceptions in the employment protection law, the ADEA, affecting this group. One could not get away with denying civil rights protections for blacks under Title VII on the basis that the individual in question was "a little" black or "too" black. The exceptions

noted above clearly apply to individuals because they are old. Age, even under the law, becomes a surrogate for personnel decision-making which affects older workers.

The largest single case affecting management and older workers is Mistretta v. Sandia Labs., Inc.[5] This case involved a reduction-in-force issue. Due to economic conditions, Sandia faced the need to cut back on personnel. After the procedure was accomplished, certain employees, about 250 in number, filed charges of age discrimination. One, Mistretta, initiated his own suit. Others filed complaints with the U.S. Department of Labor which, at that time, had jurisdiction for enforcement of the ADEA. The cases were combined under Mistretta.

During search and discovery, the government requested and received a broad array of personnel data from the company. Although the charges were that the company used age criteria, rather than performance evaluations, in carrying out the RIF, DOL attorneys, sensing a "pattern and practice" case, examined Sandia's hiring procedures, promotion rates, salary administration practices, training and development program and retirement policies from the viewpoint of age. There were no allegations of age discrimination in any of the above areas, but they were as thoroughly investigated as the charge itself--reduction-in-force practices of a discriminatory nature. The result of the litigation was as follows. The court found that Sandia had violated the ADEA in its salary administration practices. For reasons best known to Sandia management, a "stretch-out" method was used. That is, the older an employee was, the less frequently he received salary increments. Sandia could not defend its burden of proof that age had not played a major role in its salary policies. Over a million dollars has been restored to older workers on this count alone. In addition, the court ruled that Sandia had engaged in a pattern and practice of discriminating against the litigants aged 52 to 64. Statistical evidence was such that it proved that selection of this group for the RIF could not have occurred by chance and that Sandia's defense that the selection was based on performance and not age was totally inadequate. For workers aged 40 to 52, the court ruled that they might have encountered age discrimination, but that it could not be proven on the basis of statistical evidence. The charges would be dealt with on an individual basis.

The real issue here is that a major employer, wittingly or unwittingly, engaged in the practice of discrimination which violated the ADEA. It is almost pathetic that management was so unaware of its age-related practices that it took the government investigation of its record to point out the problems. Had Sandia conducted a work force analysis by age, or even examined the age patterns of its RIF procedures, it would have discovered the compliance problem with the ADEA and could have avoided the time consuming and expensive litigation.

Mistretta and other age discrimination cases suggest that management has a fairly immediate need to examine its policies and practices from the viewpoint of age. One motive would be to avoid ADEA complications. A second should be to obtain a better grasp on human resources management. A critical policy implication, then, for the White House Conference on Aging is the education of employers about older workers,with a special emphasis on personnel and retirement systems. Companies and government employers need information on aging and its effect on respective work forces. It may well be a better role of government to provide such information--rather than to take employers to court. Under any circumstances, older workers may determine which course will be followed. The group that tends to litigate against employers is middle-aged, middle income, white males. They are well educated and are not dependent on advocacy groups to support their legal activities. Realizing this may help management avoid the kinds and extent of problems faced in dealing with blacks, women and other minorities protected by Title VII of the Civil Rights Act and to develop a range of positive policies in dealing with what is rapidly becoming the nation's largest minority group--older workers (including older men, women,

blacks, Hispanics, veterans and older individuals in a number of other categories protected by federal and state statutes).

Labor unions tend to have a clean record as far as litigation under the ADEA goes. In fact, no labor union has ever been involved in a major case. This does not mean that labor is necessarily a little better than the angels. It may mean that age-related issues are resolved in terms of retirement and pension benefits and seniority systems. It may mean that union members achieve redress of grievances in ways other than litigation. Many factors can enter into this phenomenon.

The policy issues for organized labor will vary greatly according to the types of unions considered. The heavy industry unions--automotive, rubber, steel, etc.--tend to be concerned with adequate pension benefits and early retirement options for older workers who have spent many years in demanding jobs. This may be the appropriate focus for such unions. Perhaps, however, retraining for these workers in the middle years might prove to be an option. Craft unions, especially printers, have long had a variety of work and retirement options for members including retraining, no mandatory retirement rule and phased retirement procedures. Again, the size, nature and tradition of the labor organization seem to affect its policies towards older members. State and local government workers under AFSCME may present an entirely different range of policy considerations. For example, many local and state jurisdictions are faced with providing large pension obligations from limited tax-based resources. Therefore, some type of retention policy or second career approach involving part-time work opportunities may well meet the agendas of the union, government employers and some older workers.

The most immediate older worker policy considerations for labor may focus on the pension and employee benefit restrictions raised by federal regulations to the 1978 ADEA amendments rather than on aspects of age discrimination in employment which seem to affect management more directly. But this may change fairly soon as older workers, unionized or not, see both the economic need to continue on the job and perceive their job-related civil rights more clearly.

Summing up, then, some of the key short-term considerations on older worker policies facing labor and management to one degree or another are as follows:

- Do older workers really constitute all that big a problem? Should not management and labor concentrate more on the needs of youth, women, and minorities?

- Will inflation, energy costs and other economic factors force retirement deferral on older workers? What effects will this have on other groups--given rising unemployment across the nation?

- The 1978 ADEA amendments and federal rules raise immediate problems of a double-standard pension and employee benefit system for workers under and over age 65.
  - -Will management tend to take advantage of the rules permitting disparate treatment?
  - -Will labor challenge such action in collective bargaining strategies?
  - -Will older workers challenge such treatment in the courts?

- How can management assure continued proficiency of workers who defer normal retirement and still not violate the ADEA?

- If union members stay on beyond age 65, will not this upset the normal progression within seniority systems? What, if any, problems are created

and how can unions resolve these fairly?

- o There are examples of retention policies for older workers up to and beyond age 70. Part-time work, flexitime, job sharing, etc., are often cited as the means to achieve this. But how wide can such policies spread? Would not they present problems within seniority systems? Would not they increase personnel and administrative costs for management?

- o What are the implications of any retention type policies for older workers on Social Security and pension systems?

The shape and age composition of the population and the labor force will, no doubt, influence older worker employment and retirement policy in the long run. But changes do not begin in a vacuum, so we are not likely to see older worker employment and retirement policies arriving on a nice and timely schedule. As ADEA cases indicate, changes are already afoot. Some commentators feel that the order of change will be determined by either cost factors--we can no longer afford present policies--or a combination of economic, social and political factors which will cause change somewhere down the line. We can either wait for things to happen or try to make them happen in a remotely reasonable fashion. The latter emphasis will be that of the White House Conference on the Aging--and without prejudging the activities and outcomes of the preliminary, agenda-building effort, it should be our focus also.

I should like to conclude with a few observations on how short-term considerations run into and can affect longer term older worker and retirement policy.

o Amending the Age Discrimination in Employment Act.

The Department of Labor is currently conducting a study on the impact of the 1978 amendments to the ADEA. Among other issues being examined is the prospect of abolishing mandatory retirement altogether. This popular move could come about sooner than later. What are the likely effects of removing the upper limit? What recommendations does this meeting offer the WHCOA on the matter?

Perhaps the most heavily litigated ADEA issue is in the area of the BFOQ. Some Congressional staffs favor eliminating the exception precisely because so many employers seek to invoke it as a defense to both refuse to hire and to terminate older workers. When an exception is so heavily litigated, then it tends to undermine the purpose of the Act and a change is called for. Such a change would place a burden on management and labor to assess individual abilities of workers in terms of specific job requirements--much in the way that Griggs v. Duke Power required testing to be job-related. Age could not be used as a criterion for hiring or forced retirement. What implications might such a change have on management and labor policies and practices?

o Conflicts within current older worker employment and retirement policies

As it stands now, older workers looking at their employment choices and retirement income sources are a little bit between the devil and the deep blue sea. There are incentives and disincentives for staying on. First, there is the so-called earnings test which penalizes a Social Security beneficiary if he or she earns over a certain amount. Although the allowed amounts are increasing, they hardly keep up with inflation. So why work? On the other hand, an over 65 individual who defers retirement will be eligible for a 3% per year benefit increase for each year worked beyond that age. Here, too, the inflation factor erodes much of the benefit. It's as if the older worker is being told: "You don't have to retire, at least until 70, and if you don't, you'll get a little something (but not pension

accrual credits beyond age 65), but if you do go out--stay out!"

What we seem to face is a need to clarify older worker employment and retirement policies across the board and to do so fairly quickly. The conflicting views of older workers--who should stay on and who should retire--are influenced by the nature of employment, type of labor organization to which the worker may belong, the individual subjective effects of aging and the needs and desires of older workers themselves. Present policies seem stuck with the need to discriminate against older workers and the need to guarantee work-related civil rights under the law of the land. Age, as it now stands, seems to serve as a double-edged sword which cuts against the older worker either way. Without diminishing the complexity of the issues surrounding age, employment and retirement, the following modest set of values and principles are put forward as a starting point for considering more positive older worker and retirement policies.

- o No older, able individual should be denied employment opportunity or retired if he or she needs or wants to work.

- o Continued work opportunity in no way precludes early retirement options for older workers.

- o Job-related standards and not age should control hiring and termination in all occupations, including those relating to public safety.

- o Employers have the right to expect competent job performance from employees and newly hired workers--regardless of age.

- o Labor unions, in addition to collective bargaining to assure adequacy of pension benefits, should consider the needs and desires of members for extended and different kinds of work opportunities--in lieu of traditional retirement patterns.
  Management should consider the same approaches as part of personnel practices affecting older workers.

- o Social Security and pension reform legislation as well as age-related regulatory law should be increasingly responsive to continued employment needs of older workers. Clarifications for incentives and disincentives for continued work and retirement choice should be made.

- o The educational mandates within the ADEA (Sec. 3(a)) have never been carried out. The federal government should develop a major educational program on older workers for employers and organized labor.

This list, of course, could go on--and conference participants will add their views. But as one corporate official, heavily bruised by the EEO movement of the last 15 years for blacks, women, Hispanics, and others, put it--older workers may well become the "sleeping giant" of the 1980's. He feels that the current 45 to 55 year olds, who will be 55 and 65 at the end of the decade, are simply too smart and politically aware to go gently into some good night retirement system concocted by management, labor, or the government. "It just ain't going to happen."

That may be one person's opinion, but given the issues addressed at this conference, older worker and retirement policy has its work cut out for it over the coming years.

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THE A.D.E.A. AND EMPLOYEE BENEFITS:

A Background Paper

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The 1978 amendments to the Age Discrimination in Employment Act[1] and, more specifically, the final version of the Act's interpretative regulations on employee benefits have focused attention on the ramifications of age in our population, labor force, and personnel and retirement systems. The statute and accompanying regulations may perhaps be construed as an indication of shifting attitudes toward employment and retirement in the U.S. The key premise is that the amended Act and the supporting regulations permit older workers wider options with respect to work and retirement. This same key, if manipulated properly, may also be used to effectively manage the necessary changes in personnel and retirement policies so as to accrue advantages for the company as well as the worker.

Change is understandable and inevitable over the long term. The test of effective personnel and employee benefit policy management, however, will be to respond and adapt to the future now. Age, as such, is both more and less of a significant factor affecting personnel policy--more so in that we now have to learn to deal creatively with the new human resource of older workers,[2] and less so because policies based on age ceilings are less responsive to our changing social and economic climate. Employers and unions may well wonder about the extent and direction of policy change necessary to achieve maximum results, especially in view of the employee benefit regulations issued in response to amendments in the Age Discrimination in Employment Act (ADEA).

This paper will explore requirements and options for industry and labor regarding changes in the amended employee benefit regulations. First, it will provide an overview of these regulations and a discussion of the general principles and guidelines behind the required changes in welfare benefits and retirement plans. Second, the paper will focus on economic and human resource considerations related to changing benefit systems. Finally, it will examine the implications of the regulations on overall personnel and retirement policy development. Both of these policies have delicately balanced components and the regulations now in effect are, as yet, an unmeasured factor requiring decisions and close scrutiny in implementing changes.

THE REGULATIONS[3]

Management and unions are by and large aware of the 1978 amendments to the ADEA. The most popularly known feature is the raising of mandatory retirement to age 70. Perhaps the most significant changes, however, are those relating to benefit and retirement systems, occurring as a result of the amendments in section 4(f)(2) of the Act:

> It shall not be unlawful for an employer, employment agency, or labor organization ... to observe the terms of a <u>bona fide</u>

*Opinions in this paper are those of the author and do not necessarily reflect those of the National Manpower Institute.

> ... employee benefit plan such as a retirement, pension, or insurance plan, which is not a subterfuge to evade the purposes of this Act, except that no such employee benefit plan shall excuse the failure to hire any individual, and no such ... employee benefit plan shall require or permit the involuntary retirement of any individual ... because of the age of such individual.[4] (Emphasis added.)

This section was--and still is--essentially a trade-off. Lesser amounts of benefits could be provided as an incentive to retain and hire older workers. Now Congress has sharpened the focus of section 4(f)(2) and the present employee benefit regulations have been designed to respond in similar measure. It's now more difficult to justify lower benefits for older workers, for instance, than under pre-amendment regulations.

The final regulations for employee benefit plans became effective May 25, 1979. They were issued by the U.S. Department of Labor (the Department) as a statement of official government policy regarding changes in retirement plans and welfare benefits (health, life insurance, and long-term disability) necessary for plans to be in minimum compliance with the amended ADEA. In the main, the regulations are fairly reasonable, a difficult proposition considering the several perspectives necessary for the Department to integrate in their design--the fundamental purposes of ADEA, the 1978 statutory changes, Congressional intent, and fair and reasonable directives for the entire employer community. The final regulations are largely based on a set of proposed employee benefit regulations published in September of 1978.[5] The proposed regulations were specifically drafted to encourage private sector comments and suggestions, thus making available a truer notion of the problems and possibilities of implementing the finalized version of the regulations.

The final regulations are based on certain principles which can be expected to hold regardless of the type of welfare benefit adjustment under consideration. First, the interpretation of section 4(f)(2) as amended allows employers to provide lower levels of benefits for older workers than those provided for younger workers. Second, benefits can never be used as a subterfuge to evade the purposes of the Act--lower benefit levels must be justified by age-related cost increases. The third principle is that all benefit plans must be bona fide: plans must actually pay the promised benefits and all plan terms must be described in writing to all employees. In addition, these regulations pertain only to age-related benefits. Such fringes as uninsured sick leave and paid vacation are not applicable since they are not based on age.

Cost Data. Perhaps the most important principles behind the regulations pertain to cost data. In seeking an equitable common denominator for the design of the regulations, the Department adhered to a basic "cost test" principle: the concept of age-based benefit reductions justified by equivalent cost increases. While employers are discouraged from actually terminating welfare benefits, means are provided for reductions in their level. Because this is clearly a discriminatory feature of the regulations, employers will have to support any rationale for reduction of older worker benefits. Past litigation under the ADEA suggests the practicality of thoroughly documenting any such reductions, however.

The cost data used in welfare benefit calculations should be valid and reasonable. Benefit reductions may be based on a showing of the actual cost of providing the benefit over a representative period of years. If actual costs aren't available, management may want to use comparative cost data for a larger group of similarly situated employees--perhaps by company, organizational grouping, or by industry--to justify benefit reductions. The regulations stipulate, however, that this second

method would be invalid if the resulting benefit reduction is used to "significantly" lower benefits for older employees. The final regulations introduce a third alternative for justifying reductions. If cost data isn't available, "reasonable" projections may be drawn from existing cost information. The above approaches to benefit calculations, therefore, offer more comfortable grounds for cost data justification but also require prudence in application.

The final regulations now alternatively allow cost comparison and adjustment using plans in the aggregate, as benefit packages, in addition to the originally proposed benefit-by-benefit approach which permits only a specific amount or level of benefit for a specific contingency. The package approach obviously provides employers greater flexibility in determining benefits than benefit-by-benefit, but it would be considered a "subterfuge" to use the package approach merely to rearrange benefits to the detriment of older workers.

With this in mind, the regulations call for certain standards to be observed: the benefit package approach may be used only so long as the overall result, when compared to the benefit-by-benefit approach, is (1) no lesser cost to the employer and (2) no less favorable benefits for employees. There are also certain prohibitions. The benefit package approach isn't appropriate for retirement and pension plans, nor can it be used to reduce health insurance benefits by more than the actual increased cost. A benefit reduction greater than that allowed under benefit-by-benefit must be offset by another benefit available to the same employees. Thus, employers are able to substitute different benefits within a particular category, a technique not available in the benefit-by-benefit approach.

One other point should be mentioned regarding cost data calculations. The Department originally envisaged data comparison and adjustment on a year-by-year basis. The final regulations still endorse this approach but also now permit costs to be averaged out over periods of up to five years. Cost averaging based on age ranges, or age brackets, of up to five years would mean that the level of benefits for the older and younger employees within an age bracket would vary to some extent. But the average level of a particular benefit doesn't drop until the employee moves into the next age bracket, when the additional average cost may justify a reduction in the average level of the benefit.

Health Insurance. There are a great variety of health plans in employee benefit systems. The Department generally refrained, therefore, from overly specific directives regarding health insurance. On the whole, reductions should not be concentrated in such a way as to be less attractive to older workers. The regulations here concentrate on issues related to Medicare and its tie-in with other forms of privately offered health insurance. Of course, denial of health benefits cannot be cost-justified if the older worker isn't eligible for Medicare. Those benefits paid by Medicare, however, may be "carved out," or offset, from the company health plan. Employers are required to provide any assistance necessary for eligible employees to apply for Medicare. In addition to the carve-out approach, a separate plan might be set up for older workers which supplements Medicare if (1) the employer cost is no less than it would be using the regular carve-out approach and (2) the benefits provided are no less favorable than under the regular approach.

Life Insurance. The Department's originally drafted regulations endorsed the practice of scaling down the benefit coverage level by not more than 8% on a year-by-year basis for over-65 workers. The final regulations have adopted a reduction approach using the cost test by age bracketing. In other words, the benefit reduction level for a particular age range or bracket should be no greater than the amount of the increased cost of coverage compared to the immediately preceding age bracket. Employers may want to look into the notion of beginning reductions before age 65 if these guidelines place too great a financial strain on the plan, or some

other alternative may be explored by means of the benefit package approach (e.g., increased survivor benefits in combination with reduced life insurance). The benefit-by-benefit cost approach would, of course, prohibit complete termination of life insurance. In addition, the cost of any benefit level increase resulting from a salary increase cannot be considered as a benefit reduction criteria because such a factor isn't age-related.

Long-Term Disability (LTD). LTD plans have traditionally terminated benefits at age 65, the point at which Social Security and pension benefits become available. Because the ADEA now protects to age 70, however, traditional LTD benefit termination can no longer be justified. The reasoning here is that employers can't "cost justify" providing LTD to younger workers while denying it to older workers. LTD benefit termination is permitted before age 70 on the basis of non-age factors (e.g., recovery from disability, death).

There are other methods available, though, to avoid some of the cost increases. One option would be to consider reducing the level of LTD benefits as a whole. Alternatively, employers may choose to reduce the duration of benefits. The minimum requirements prescribed in the regulations indicate that for employees age 60 or less, benefits cease at 65 and for disabilities occurring after age 60, benefits cease five years after disablement or at age 70, whichever is first. Look at the cost data, though. Cost data may support other justifiable patterns for reducing the time element. One other point--employees receiving LTD are not considered to be actually retired, which means that LTD benefits and pension benefits need not be provided at the same time. Nor, under the ADEA, does pension plan accrual or crediting necessarily have to continue if the employee continues to receive long-term disability. Such action, however, would be based on disablement, not age discrimination.

Retirement Plans. The final regulations address two basic types of retirement plans: defined contribution (no predetermined benefit) and defined benefit plans (specified benefit determined by actuarial formula). Most of the provisions in the regulations concerning retirement plans address only non-supplemental plans. This is an important peculiarity because if management offers more than one retirement plan to the individual worker, all but one are supplemental. Defined contribution plans are regarded as supplemental to defined benefit plans, but otherwise the employer can determine which plan will be non-supplemental.

After reaching normal retirement age--usually age 65--any employee, including newly hired older workers, may be excluded from participating in either defined contribution or defined benefit plans. This means that, while the worker can't be terminated from the job because of age, plans don't have to continue benefit accrual or credit for continued years of service after the worker reaches normal retirement age. Salary increases occurring after normal retirement age would have no effect on the final benefit level. Furthermore, employers are not required to include workers who are hired less than five years before normal retirement age in defined benefit plans. The logic here is that five years' time or less of service would not have enough actuarial significance. There is no comparable provision, however, for defined contribution plans since the benefit here is determined simply by the final account balance.

If the level of benefits is increased for the plan as a whole, the increase does not have to be considered in computing the benefit for the individual working past normal retirement age. Conversely, however, if a plan's benefit levels are reduced or offset by Social Security benefit availability, the Social Security reduction cannot be greater than the level of the offset in use when the employee's benefit accrual or crediting stopped.

PROSPECTS FOR CHANGE

The revised employee benefit regulations have signaled the need for adjustment in personnel and benefit policies directly affecting the work and retirement options of older workers. Traditional employee benefit systems were designed on the assumption that welfare benefits stop at age 65. But conditions have changed. People are living longer, healthier lives, and the work force as a whole is aging. Benefit systems need to undergo certain changes in response to these factors--this is what Congress intended and why the employee benefit regulations wade into waters not previously disturbed by the government. The regulations aren't meant to describe boundaries within which plan terms must be determined. Rather, they should serve as a framework employers and unions can use as a basis for rethinking personnel and retirement policies and goals in the light of changing social and economic trends.

People's attitudes toward aging and work seem to be changing to the extent that the traditional principles of retirement are coming increasingly under challenge, a notion supported by the existence of the ADEA and its subsequent amendments. Prospects of better health and longer life perhaps suggest a longer work span and more productive or creative use of time. More often, however, dissatisfaction with retirement relates to inadequate fixed income which, increasingly, isn't enough to meet living standards. Accelerating energy costs and inflation rates threaten everyone's income security, but this is especially true if income is fixed. Thus, from the individual's perspective, changing social factors and growing economic necessity magnify the need for expanding work and retirement options. These are factors which will have to be addressed sooner or later.

The amended ADEA and employee benefit regulations afford older workers a certain degree of protection from unintentional or other forms of age bias, and open up opportunities to older workers who are presumably healthy and willing to work beyond so-called normal retirement. Demographic changes in the population strongly suggest the need to make the best use of resources at hand, regardless of age. Thus, management and unions should look to the development of age-free policies which determine the value of worker contribution on the basis of ability, not age. The "cost" of providing equal benefits for able, productive older workers may not be as high as employers--or their insurance carriers--suspect. Certainly able older workers are not likely to accept lightly total benefit reductions when they see they are receiving less than their younger counterparts.

A common approach to implementing the ADEA regulations is to simply plug the new terms to the company's existing package. This constitutes minimum compliance. Such an approach, however, may eventually cause disconcerting and perhaps costly legal and other adversary relationships with older workers.

Collectively bargained plans are likely to seek terms which constitute more than minimum compliance. Unions, which are also subject to the regulations, may well bargain for sustained levels of benefits for older workers, continued accrual of benefits, and perhaps required pre-retirement training courses for older workers. Of course, with limited resources available for funding employee benefits, it is important to all concerned that the resources be used as effectively as possible.

Perhaps the most practical and realistic approach is to reevaluate overall personnel and retirement policy to determine whether or not traditional goals will still be practical in the light of shifting demographic and economic considerations. This could be done in conjunction with appropriate age-related analysis of the company work force, using available records on retirement trends and a survey of the work and retirement aspirations of older employees. Employers and unions could then better reassess the purposes of their benefits, and remodel

the whole benefit system.

Employee benefits can serve as either incentives or disincentives for older worker employment. Because personnel and retirement policies are a means to control the age dynamics of a company's work force, fringe benefits can be tailored to encourage a variety of employment and retirement patterns.

One of the reasons fringe benefits are instituted is to attract and retain the best quality workers. As these employees stay on and contribute to the company over the longer term, they inevitably get older. Assuming their value to the company continues, management should consider alternative ways and means of retaining these employees as a valuable human resource.

Tapered retirement is one example of non-traditional work alternatives. In this situation, the older worker "phases out" of the employment system gradually. Part-time work and flexitime schedules are another means of retaining older workers. The company benefits because it retains the highest skills of the older worker. The older worker benefits because he or she is not shunted out of the employment system. Part-time consulting is another means of utilizing the skills of long-time employees. This can apply across the board to both white and blue collar older workers. They can be brought back on a part-time basis to contribute their highest skill level to company needs.

But the benefit equation should not be forgotten. Employers acting to develop resource potentials available through older workers can encourage retention by adjusting welfare benefits to provide the same or different types of benefits to older workers as compared to younger workers. It is not impossible for employers and insurance carriers to design benefit packages to accommodate the needs and interests of older workers who want to stay on beyond normal retirement age.

At the most practical level, it should be noted that the Equal Employment Opportunity Commission, which now administers the ADEA, has indicated that future plans include the possible revisions of the regulations, especially with respect to crediting years of service beyond age 65. It is also likely, in view of its various other civil rights priorities, that the EEOC will concentrate its efforts on the development of class action suits involving large numbers of older plaintiffs. This may be of special concern to large employers. Because of the limited EEOC resources, there may also be more state litigation.

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In a very real sense, the future for older workers and management is now. Some states have already done away with mandatory retirement. It is most likely that Congress will also abolish mandatory retirement at some point in the next few years. Related to this action will be the ways in which management deals with the entire pension and employee benefit system. Sooner or later, management and labor will need to face non-mandatory retirement and extended benefits.

The employer community and organized labor have the choice to develop positive policies, strategies, and programs for older workers without confronting them in increasing numbers in the courts. The regulations afford a new starting point to build on the potentials of productive older workers through broad policy changes rather than on a forced, piecemeal basis later on.

By way of summary,

industry may want to consider the following:

* more imaginative use of benefits -- such as promoting part-time, job sharing, or other alternative work arrangements-- along with alternative benefit arrangements;

* retraining opportunities for workers in their fifties -- looking to an extended work life that may reach beyond age 70 in the coming years;

* the very practical point that if industry doesn't do it, organized labor may take the challenge to the bargaining tables (or older workers themselves, through litigation).

Organized labor may want to consider similar issues:

* assumptions about older union members may have to change because of double-digit inflation and energy costs;

* the use of collectively bargained benefit arrangements can include constructive options such as rights to part-time employment beyond so-called normal retirement -- along with correspondingly equitable employee benefits;

* collectively bargained arrangements for workers in their fifties.

FOOTNOTES

1 29 U.S.C. 621, et seq. as amended by P.L. 95-256, 92 Stat. 189.

2 Though the ADEA now protects workers ages 40-70, this article is concerned primarily with workers ages 65 and over.

3 Federal Register, Vol. 44, No. 103, May 25, 1979, pp. 30648-30662.

4 29 U.S.C. 624(f)(2).

5 Federal Register, Vol. 43, No. 185, September 22, 1978, pp. 43264-43270.

MANAGEMENT VIEWPOINTS

A MANAGEMENT VIEWPOINT (I)

Summary of a presentation by

Daniel Knowles
Director of Personnel
Grumman Aerospace Corporation

What I have to say this morning is essentially from a paper I prepared for the Federal Council on Aging. Let's set the scene in this area of the middle-aged and older worker from an industry perspective.

In early legislation, both the state and federal governments had somewhat unenforceable laws prohibiting discrimination on the basis of race, religion, age, sex, national origin, etc. When Kennedy came into office, a new dimension was added with the concept of Affirmative Action, through Executive Order 11246. Initially it was directed for minorities, and then, in view of the tremendous strides in minority representation in the various job categories, the concept was extended to women, through the Equal Pay Law and other legislation. Then, through the Rehabilitation Act of 1973 it was extended to the handicapped, and finally to View Nam Era veterans. Affirmative Action programs provide that every employer doing business with the federal government under a contract for more than $2500 must take Affirmative Action to hire these groups. It applies also to job assignments, promotion, training, transfers, pay, working conditions, terminations, etc. Half the U.S. businesses are covered. Each government contractor with a contract of $50,000 or more must maintain and document an Affirmative Action plan. With the full weight of the federal government, its legislati audits through the office of Federal Contract Compliance of the Department of Lab the Equal Employment Opportunity Commission, and various state and local human rights commissions, the quality of life in general has improved for those covered by Affirmative Action Programs.

My quarrel is not with the government and its concern for these groups, but with the benign neglect of middle-aged and older workers who are not covered by

Affirmative Action but represent the largest of the so-called protected groups. They are protected by the Age Discrimination in Employment Act of 1967, but its enforcement (until 1979 by the Wage and Hour Division of the Department of Labor) has been relatively weak through the years due to limited resources. The message to industry, in effect, became "Don't overtly discriminate against the middle-aged and older worker, especially by policies that affect groups of such employees".

The discrimination against middle-aged and older workers is the most insidious form of discrimination - for several reasons: it is subconscious and subtle; the people doing it are not aware that they are discriminating; it is perpetrated by other older workers, those in policy-making positions; and, since this is the largest of all protected groups, it is probably the most widespread form of discrimination.

The impact of age discrimination in employment is often masked by poor statistical data maintained by the various state employment agencies. Older workers, once layed off, take twice as long to find new jobs. Once their unemployment benefits run out, they often end up in involuntary retirement. They are no longer a statistic.

The ADEA of 1967 provides a recourse to someone who experiences discrimination but does nothing to provide an environment in industry to end discrimination. Remedial aid is provided only following prohibited acts. The amendments of 1978 merely extended the law in its present form. Congress should revise the Act to accomplish the following: 1) Direct the Department of Labor to do a statistical analysis within Federal, State and local agencies in the area of discrimination by nature of complaint, 2) Direct the D.O.L. to enact education programs in industry pertaining to the nature of the middle-aged and older worker, 3) Direct the D.O.L. to research and disseminate such information to industry, exploding myths about middle-aged and older worker, as they did for women, 4) Direct the D.O.L. to provide detailed demographic information by skills and age to industry to understand better how companies measure up to the availability of older workers in the work force.

Essentially what is needed is for the Department of Labor to institute a meaningful program of voluntary compliance to the concept of a fair shake for the middle-aged and older worker. Industry cannot and will not do it unless they are provided with the tools by the government. Congress should insure that the government does its fair share to help industry. If industry, given the tools and opportunity to take voluntary Affirmative Action towards the older worker, fails to do so, it will have no one to blame but itself, if the subsequent result is a change in the ADEA, requiring annual formal Affirmative Action plans. In the meantime, however, a failure by the Department of Labor to take positive steps will only convince industry of the indifference and laissez-faire attitude towards this segment of the work force.

Industry, like Congress and the D.O.L., are pragmatists. As things are, concern for the middle-aged and older worker is not a pressing priority. Most companies don't feel they discriminate, but few have researched the age composition of their work force. Older employees themselves are often unaware of discrimination. But awareness is growing. In the last two years the government has brought 124 cases of age discrimination against major companies, and in a recent survey, 80% of people of all ages felt that companies discriminate; 97% of hiring decision makers felt that way.

Where discrimination is alleged, companies generally respond to the immediate case at hand but give little thought to the causes of discrimination. The industry mentality is that young is good and old is bad, and this is often a self-fulfilling prophecy. As workers perceive their value to diminish, they sometimes behave in ways which contribute to myths about older workers. The fact is, however, that there are no significant differences in ability to learn, absenteeism of job performance. (Only in the area of mental depression is there any difference.) In a study of one large company which laid off employees on the basis of performance, not seniority, the mean age of the remaining work force rose from 37 to 45.

Discrimination appears to increase with age. In a Ford Foundation study,

2/3 of the older workers who had been laid off after long service, when they finally found jobs, found the least attractive and lowest paying jobs.

The major questions are what will and what can industry do to resolve these problems. Industry will respond if it is convinced it is good business. Only a massive education program can convince industry to mount voluntary programs. If the government fails to convince industry to respond to its voluntary program, the result will be the enactment of yet another Affirmative Action law. In answer to "What can industry do?" the following model is suggested:

1) Get a commitment from top management and promulgate positive policy of insuring a "fair shake" for employees 40-70.

2) Mandate the subject be part of all supervisory development training programs.

3) Review all personnel policies, practices and benefits to determine if there are built-in prejudices. This should include hiring, promotion, upgrading career counseling, performance appraisals, training, compensation, termination, retirement, pensions, long-term disability, life insurance, and other benefit programs, as well as recreational and social programs within the company.

4) Perform a work force analysis, based on whatever information is available from the Department of Labor. The Labor Department's Employment and Earnings Report indicates what percentage of the national work force is age 40 and over, and 45 and over. Measure your total employees against national work force availability. Do the same analysis for the various EEO-1 job categories: Officials and managers, professionals, technicians, etc. Measure against both the 40+ age group and the 45+ age group,

5) Where there is underutilization, determine whether one or more departments is the cause.

6) Perform the same analysis on a sampling of particular skills within the company.

7) Analyze annual new hires, terminations, promotions, training, raises, recreational programs, etc.

8) Give special attention to lay-offs and discharges by age. If the company is large most of the data required should be available in the computer already.

9) Insure that the proper mechanism is set up within the company to insure that any complainant can have his case reviewed quickly and objectively.

There is much scholarly knowledge in the field of gerontology. Too little of it however has been directed in a practical manner, towards influencing employers. We need further grants to the gerontological research organizations aimed at generating study of a practical nature which can help the older worker.

In essence, what we need is to get back to basics. Thank you.

A MANAGEMENT VIEWPOINT (II)

Summary of a panel response by

Joseph S. Perkins
Retirement Administrator
Polaroid Corporation

It's a pity we have to establish policies to make things happen. It would be better if we simply refrained from making policies which limit free choice. Perhaps this is idealistic. But at Polaroid we do try to operate that way. We have no different policies for the aging than we do for any other group. We have never had a mandatory retirement policy, and we like to think that our posting and promotional systems work at any age. Of course, there is always the possibility of subtle discrimination on an individual basis.

I do the retirement counseling for about 300 people a year, and I find many of them want to be relieved of the demands and routine of work. I think also that many of them, after taking some time to think about it, would love to have the opportunity to come back to work on a part-time basis.

In the future we are going to have to increase our utilization of older workers, perhaps through tapering off and part-time arrangements. I think full-time work on the same job should also be an alternative.

Right now, I don't find those who are retiring to be too excited about part-time work. We have part-time arrangements available at Polaroid, but our retirees do not jump at it. Part of the reason may be loss of clout. We need to have some role models for part-time work.

At Polaroid we do have people continuing past age 65. Last year 70% and this year 80% of the people turning 65 chose to remain longer.

I feel it's too bad that we pit the young against the old. I really don't think, however, that older workers cost younger ones their jobs. In most companies retirement is used as an attrition method. Rarely is a retiring worker replaced one for one.

A MANAGEMENT VIEWPOINT (III)

Summary of a panel response

Fred Black
Manager, Special Interest
Group Programs
General Electric Corporation

What we are talking about today is a human resource issue. We think that growth in the labor force is slowing. There is likely to be a shift from labor surplus to labor scarcity. This means we will have opportunities to employ the structurally unemployed, more women, minorities, immigrants, and even older workers and pensioners, if that is required or seems feasible.

The ban on mandatory retirement has opened up a whole new area for use. And we, like many others, don't know what to do. Rather than shoot from the hip and make a large mistake, we need to look at the way we are organized and use the organization in human resources as best we can.

We need to make environmental scans. We need to develop strong two-way communications plans with pensioners and old and young workers to try to get a feel for the critical issues that they're concerned about and determine what our problems are relative to this issue. This will give us a data base which will help in the development of future programs. We are also in favor of experiments on a small scale to develop new options. We will have to monitor our development programs which exist for all workers, to see how older workers are affected. Pre-retirement counseling can also give us important data to develop new programs and practices.

You cannot isolate this problem by itself. You must be concerned about issues of capital formation, tax reform and other economic factors that slow dow our work.

Rather than just get programs out, we have to do an effective job of human resource planning in the corporate world to begin to develop solutions to the problem.

ORGANIZED LABOR VIEWPOINTS

A LABOR VIEWPOINT (I)

Summary of a presentation by

Larry Smedley
Associate Director
Social Security Department
AFL-CIO

We have heard a good deal this morning about the major issue that is developing over a question of a so-called retirement crisis. Even Harold Sheppard's book, The Graying of Working America is sub-titled "The Coming Crisis of Retirement Age Policy."

Now, I don't say that there's no problem developing, but I do think it's a problem that should be put into perspective. We hear a good deal about the changing dependency ratio. It should be pointed out that this includes not only the retiree population, which is growing, but others not at work; the disabled, the unemployed, spouses, children, etc. The best experts, who have investigated the dependency ratio, have shown that in the next century it will not be that bad; it will be very comparable to what it is today.

Certainly, there will be more elderly and there will be additional costs, but it will not be an impossible burden. Look at Germany which is so economically viable. That country spends a far higher proportion of its national income on retirement for their elderly than we do. It is clearly within our economic capacity to support our growing retiree group. We may not want to; we may decide not to; but we can afford to. Now everybody is concerned about keeping older workers in the labor force and organized labor is completely in support of that concept. But I question the idea of raising the age of retirement in the Social Security program, an idea which we will hear more of when the President's Commission on Pension Policy reports come out. This will raise labor force participation, of course, but will they be decent jobs with decent wages?

Why do people retire? A slight majority do because of health. Another large group are laid off jobs. Some of them could work, but where are they going to find

jobs in a society that has chronic high unemployemnt at that age? Most people work at jobs which are routine, rapid paced, rigorous. At 60 one becomes old for that kind of employment.

Early retirement is probably a response to our national problems of unemployment. It's probably not the best response, but it's not inappropriate. It enables one to handle the problems of older workers and make vacancies for younger workers. Society has an obligation, if it can't provide an economic environment where older poeple can work, to take care of them in retirement.

Efforts through industrial gerontology to develop work options and alternatives for older workers are admirable, but have had limited success over the past 30 years. You do not find fertile soil in times of high unemployment. If you talk to the 250,000 people in the auto industry who are unemployed at the present time about part-time work, job redesign, etc. to keep people at work, they'll think you've got rocks in your head. They are not going to take you seriously.

I'm not totally pessimistic. I think as we reach the 1990's, when the low birthrate group starts in, there will be a tremendous drop in the number of young people coming into the labor force - then there will be a lot of employers trying to keep older workers, especially skilled older workers, and they'll be more receptive to job adaptations, as they have had to be under legal mandates for the handicapped.

In relation to Affirmative Action, I am not optimistic that voluntary programs will work. As to Affirmative Action under the ADEA, I am not against it, but, realistically, once older people are covered, then the only people who will <u>not</u> be covered are white males under 40 who have not served in the military. Once such a vast group of people are covered, you are back to "square one", and you can't help those who need it most. In my opinion, and that of organized labor, groups should spend less time trying to find a piece of legislation to cover them and unite in support of economic policies that will make for full employment for all.

A LABOR VIEWPOINT (II)

Summary of a panel response

Ronnie J. Straw
Director of Development
Development and Research Department
Communications Workers of America

Ours is a national union representing approximately 6,000 people, most of them in the telecommunications industry. We are affiliated with the AFL-CIO and we have a professional staff of about 250 people.

There are three things I should like to address. First, I would like to outline the views that we presented to the President's Commission on Pension Policy - what we feel needs to be done in terms of national policy. Second, I should like to make some general observations about the employment/retirement continuum. And third, I should like to review briefly the results of a survey we made of a sample of our 80,000 retirees.

Older workers should not be faced with a choice between retirement on a low income and second class citizenship, or working the rest of their life. This is our basic position in terms of pension policy:

First, adequate retirement income standards should be equal to the level of consumable income obtained prior to retirement. By consumable income, we mean gross income, less income tax and Social Security payments and savings.

Second, adequate retirement income should be continued throughout retirement years. Perhaps pensions should be increased based on increases in the gross national product. Pensions should conform to increases in the overall standard of living.

Third, Social Security should be geared to provide 100% of pre-retirement consumable income for workers with medium earnings or less. Currently $16,000 or less is the medium income level. We feel all people earning $16,000 or less should be covered by the Social Security system. In the long, run, however, we believe that everyone should be covered exclusively by the Social Security system.

Fourth, minimum retirement income benefits should be the Bureau of Labor Statistics' intermediate retired couples budget. Currently that runs about $7,200. Also, we feel this minimum level should be the zero tax bracket for federal income tax. After that all retirement income from all bases should be taxed on a progressive rate.

Fifth, there's a lack of protection for workers who are forced to retire because of alleged disability conditions. If a worker has been performing his or her job at a satisfactory level then a company should not be able to contend that he or she is disabled. If they cannot work, they should perhaps be retrained. If they cannot be retrained then they should be able to retire with a decent income level.

We support a national policy which establishes the right of all surviving spouses to benefits equal to the intermediate family budget of four. We also support employment training policies for surviving spouses who choose to work.

Seventh, we support effective worker participation involvement in management investment and pension fund assets.

In terms of overall policy regarding the employment/retirement decision, we feel the individual should have the choice, and not have the decision forced on him or her. We therefore support the following concepts:

1) There should be no age requirement attached to the receipt of a retirement benefit. At a specified number of years of service, the option should be available to retire on full benefits or to continue working.

2) Individuals who continue to work should be allowed to work and continue to receive retirement benefits, but the combination of benefits and income should not exceed the highest year's take-home pay.

In relation to the 1978 amendments to the Age Discrimination in Employment Act, we believe that wage and service credits for workers who stay on the job past age 65 should have been mandated by Congress.

I believe the unions will pick this demand up in negotiations, if a significant number of workers choose to continue. We believe, more importantly, that retirees need to be provided with collective bargaining rights. At present, a company has the sole right to determine which benefit improvements will be passed on to pensioners. We support legislation removing this obstacle so that needs of retired workers can be collectively bargained.

I should like now to give you a brief picture of our retirees, as suggested by a survey we conducted of a representative sample of 1,000 individuals. Our response rate was 50%. The average retirement income of our group was $8,000, some 40% of the average pre-retirement income of $13,000. As I've said, we feel it should be 60%. 90% of those who worked, worked over 30 years, and 53% over 40 years. Half had 3 or fewer jobs during their career, 38% said they were forced to retire, but 56% felt they could have continued. Health was the main reason listed for retirement, followed by pressure on the job, and desire to spend more time with their spouse. A number of responses suggest a lack of preparedness for retirement. 58% had not expected to have financial problems in retirement. 55% did not expect inflation to seriously affect their standard of living. 46% did not even expect their pensions to be taxed. 30% of the retirees had attended retirement preparation sessions, but only one in three found them helpful. Only 8% indicated they were presently working for pay. By and large, however, the level of satisfaction was high. 75% indicated they were content with their retirement decision. 68% felt things do get better as they get older; 69% felt they were just as happy as they were when they were younger; 68% felt these were the best years of their lives. Only 55% felt that the life of the average person is getting worse. Their optimism is surprising, but may, in part be due to the fact that their retirement income - private pension and Social Security - is tied to cost of living increases, and that in general telephone workers are paid low wages and they are accustomed to having to make ends meet. It's evident that few of them have a cushion of savings, since

less than 35% felt they have enough reserves to last six months to one year. Thus we feel the proposed savings incentives suggested by the Pension Commission would benefit the well-to-do, but have little effect on the poor.

DISCUSSION SUMMARY I

DISCUSSION SUMMARY I

(Unidentified discussants are coded: L = labor, M = management, and O = observer)

Odell: I'm hearing the same arguments today that I heard in 1948, 1959, 1951, 1955, both inside and outside the labor movement that we need full employment before the middle-aged and older worker gets a fair shake. Things haven't changed over the past 30 years because we use the same old excuses. The labor movement in its concern to protect the basic benefit structure and the concepts of Social Security and pensions interprets everything that says we ought to make it possible for middle-aged and older people to continue working as a threat to those concepts. I think we ought to look at issues of fair employment and effective utilization of resources.

Smedley: Organized labor does not think full employment would solve all our problems. But it would make it possible to solve many that we can't solve otherwise. We should certainly pursue these other areas, but let's not lose sight of the basic problem. Early retirement has been a response to high unemployment rates.

O: We could conduct an extensive informational campaign in reference to existing programs for older worker employment, but would this be a guarantee that any personnel director would adopt a program, if faced with difficult employment problems?

Knowles: Companies are pragmatists. Until we see it's good business to do business with the middle-aged and older worker, we are not going to do it. The impetus has got to come from Congress and the Department of Labor. Otherwise we will continue our laissez-faire attitude.

L: Aren't we talking about competition for jobs between younger and older workers? If you force people to stay in the work force, aren't you forcing younger people with jobs out? Don't we need more jobs?

Knowles: If you talk about competition, it shouldn't be on the basis of the young versus the old. It should be on the basis of ability and performance.

O: Studies show that older workers perform just as well, or better, than younger workers. Yet they remain unemployed twice as long. This is pure and simple discrimination because of age. Discrimination should not be tolerated for any reason, and any step that the government can take is consistent with what we believe.

M: Isn't the main discrimination not because of age but because of cost? The older worker accrues pension costs. The younger worker remains ten years and leaves.

Knowles: Personally, I think that's just an excuse. The average company has not done an analysis of costs by age.

O: Do you know of any studies that indicate that retraining or hiring older people robs jobs from minorities or women?

Knowles: It's complex, because minorities and women are also older workers. Minorities and women have Affirmative Action; older workers don't.

O: Studies are being done on the kinds of jobs that are done by younger and older persons. Confounding factors are the different rates of employment, opportunities, backing, etc.

O: Incentives have been built into pension plans to encourage early retirement. Perhaps the problem of retaining older workers is not simply hiring them or assuring their rights but providing them with appropriate incentives.

Smedley: There was a reason for providing incentives for early retirement. Few private pensions are indexed. Anyone who retires on a private pension today, with inflation rates the way they are, will find that it will not be adequate for long.

L: What we see is that in spite of inflation, the average age of retirement is earlier and earlier. There has not been enough pre-retirement education about what they face.

Knowles: We see the pensioned going in both directions. Some want out earlier, some later.

Berman: What we're finding in the oil industry is that people aren't getting pensions because they leave because they're sick or they die soon after retirement. I would argue that the unionized working in dangerous jobs are subsidizing the executive class, because they are paying high Social Security rates, but they're not living to collect.

Smedley: That is probably more true of private pensions than Social Security. In the latter, you have survivior's benefits, which is actually the biggest return in terms of what is paid out.

O: What about career counseling and mid-career change as a way of keeping workers inspired to stay in the work force longer, on the assumption that they retire because they are burned out?

Knowles: I don't think mid-life crisis pertains to the majority of the people. I think that second careers in our society is basically a luxury, for those with financial security who have the option of moving on. People in the lower economic strata don't have that luxury. But it is on the increase.

Smedley: We haven't much experience with it, but data seems to show that it is very unlikely for workers to go through worklife and maintain a relationship with one company or skill. There is a need to update workers' skills, particularly in middle-age, so that they can adapt themselves to a changing economy and remain in the work force.

Knowles: I really mean that <u>optional</u> second careers are a luxury.

O: I'm hearing a lot at this conference about Affirmative Action and protected groups, and it's been said that only 25% of the work force does not have some kind of protection -- white males under 40 who are not veterans. But aren't we really talking about up-to-date modern personnel practices equally applied? I don't think that government should have to compel industry. I think we've got to get back to basics -- good personnel policies equally applied.

EMPLOYMENT/RETIREMENT FLEXIBILITY

EMPLOYMENT/RETIREMENT FLEXIBILITY: OPTIONS AND ISSUES

Summary of a presentation by

Maureen E. McCarthy
Vice President for Program Development
National Council for Alternative Work Patterns

We have identified some of the changing social and economic factors which are pushing for the development of incentives to encourage workers to remain in the work force. We are actually experiencing a paradox in that we have a continuing trend toward earlier retirement, while at the same time we have employees who would like to continue working, some full-time, some part-time. I would like to address the part-time option, as one approach to the problem.

We need to develop a range of options or choices, rather than having the present dichotomy of full-time work or full-time retirement. A very few companies are beginning to do this, and I should like to discuss their experience.

I began to look at this area as part of another study which the National Council for Alternative Work Patterns has been conducting to examine work-sharing options in the United States. One of our findings has been that, by and large, older workers are not taking advantage of part-time programs. One of the reasons could well be the negative stereotypes of older workers, as well as those of part-time workers. There are also disincentives built into the structure of the employment system, especially in the area of phased retirement.

We are beginning for the first time to receive requests from major corporations on the practicalities of part-time retirement, which indicates to us a shift of considerable interest. There is a great need, as pointed out earlier, for practical how-to information. Unfortunately, it is lacking, because so little, to date, has been done.

What I should like to do is to discuss some of the programs (11 in all) which we have been able to identify, and to look at the incentives and disincentives involved,

so that we can begin to develop a knowledge base.

Some of the emerging interest in phased retirement is probably due to the experience of European programs. Many of you are aware of the Swedish partial pension system, which provides employees between ages 60 and 64 the option to reduce to part-time work and collect part of their pension. Employees must average something like 17 hours a week, and between their pension and wages, they collect approximately 65% of their pre-retirement income. The Swedish experience is useful to us in providing information about types of industries where part-time work might be feasible, types of workers who might be interested and types of part-time work schedules that fit different types of industries. However, Sweden, as a welfare state with a socialist type of environment, provides a different kind of context, both socially and economically, than we find here. In the United States, we need to develop options that fit our economic and social framework.

In the following discussion of U.S. programs, it is important to bear two limitations in mind: first, the sample is small, and it is hard to generalize; second, most programs were developed prior to the ADEA amendment raising the age of mandatory retirement from 65 to 70. They have not yet really addressed the issue of how this will affect the development of the programs.

We find two broad structural classifications to these reduced work strategies. One is the reduced work week, in which an employee tapers off toward retirement, going from a five-day work week to a four or three-day work week, with a reduction in salary, in most cases. The other is a reduced work years approach, in which employers provide extended vacations, sabbaticals, or leaves, some paid and some unpaid. These leaves are offered at certain points, at an anniversary date or at a fixed date prior to retirement. There are variety of combinations and permutations to these arrangements.

The usual characteristic of firms offering these flexible programs is a paternalistic philosophy toward their employees, and a family approach in the structure of the organizations. Because the programs have thus far been so small,

cost has not been a major factor. Interestingly, a lot of high technology firms have been innovators in this area, perhaps because they are competitive and fast-changing, and the spirit of innovation has carried over into their personnel policies.

Our example of a reduced work-week option comes from a high-technology firm in California. They offer the option to workers at least 60, who have had five years experience with the company and are within two years of planned retirement, of decreasing their schedule from five to four or three days a week. Schedules vary according to the needs of the department and the individual. Each employee must work 20 hours a week for a maximum of two years. Since the program's inception two and a half years ago from 15 to 25 employees have participated, representing all occupational levels: skilled trade workers, assemblers, clerical workers, technicians, and two corporate directors of departments. The company has found that the approach works best for jobs which are functionally independent. For jobs which were supervisory or managerial they drew up guidelines specifying that changes in job responsibilities might be necessary. Participants in the program are eligible for the same benefits as full-timers but on a prorated basis on hours worked or salary, with the exception of dental and medical benefits, which are paid in full.

An example of a reduced work year program is one initiated about twenty years ago by a Connecticut firm. They offer a leave of absense with salary during the two years immediately preceding retirement. The length of the leave is tied to service requirements: someone with 10 to 14 years of service can take 22 days off; 15 to 19 years, 33 days off, and over twenty years, 44 days off. They must take it in certain blocks of time, designated by the company. No leave can be taken in the six months prior to retirement. All employees automatically receive the option and all take it. They are notified when they are eligible and when they can take the time. Approximately 20 employees per year are eligible, from corporate level down to the janitor.

Another example of a reduced work year option took place in a manufacturing environment, with a work force of 800 male skilled workers. In 1970, this company

did an age audit of their work force and realized that most of their employees had 25 years of experience and would soon be lost to an early retirement program. The problem was to find people to replace these skilled technicians. In addition, there was a problem with the pension fund. The retirement benefits for employees was costing about $9,000 per employee per year, with the ratio of active employees to retired about equal, and the pension fund was being severely drained. So, as an incentive to keep some of their employees in the work force, the company devised a program of extra vacations. Workers between the ages of 58 and 61 were given four extra weeks of vacation a year, and those between 62 and 69, were given five extra weeks. These were added on to the regular vacation. In addition, some other benefits in terms of pensions and extra life insurance were also added on. The cost of these incentives came out to about one third of the cost spent on employees who retired -- about $3,000 per year. This was a unionized company. Initially the union was not enthusiastic but they went along with the program because their senior workers were excited about it. About 40 individuals at five locations each year are eligible, and about 75 to 80 percent of them take advantage of the option.

In looking at these flexible retirement programs -- and they are not all-inclusive -- a number of important issues are raised. An important issue is that some of these options <u>do</u> penalize employees -- and of course this lessens the incentives for older workers to remain in the work force. Pensions are one area in which participants can be penalized. If a pension benefit is calculated on an annualized salary, for example, a worker who takes unpaid leave will have a reduced annual salary, upon which his or her benefit is calculated. This could result in a reduced benefit level. This is similarly true for Social Security. A possible solution is to calculate the benefit on the annualized salary without leave, although I am not sure of the legality of this. Another solution is to look at retirement somewhat differently. Perhaps benefits could be calculated on an individual's highest salary in the past five or ten years. This, of course, would still not

solve the problem of getting credit for promotions, merit increases, cost of living increases, etc.

Part-time programs can cause problems for organizations also. One such problem relates to how employees are counted. Some organizations and the federal government count employees as slots - one individual, one slot. If the slot is filled by a part-timer, the manager is losing time. The solution might be to count in terms of "full-time equivilents". Two part-timers, then, would make one full-time equivalent. Small businesses can also run into this problem when applying for assistance from the Small Business Association. They must have 500 or less employees to apply for certain kinds of aid. If part-time workers cause them to exceed the size standard there is a disincentive to hire them.

Costs are another problem encountered by employers. Practically speaking, health insurance, for example, can only be carried on a full-time basis for part-time employees, and thus far most reduced-work-hour programs have continued to provide it in full. However, if large-scale programs of this kind are to be developed, this type of coverage could be very expensive.

Part-time programs can also raise legal issues for employers. There may be a conflict between equity and practical necessity. If eligibility is across-the-board, what happens if large numbers of people take advantage of it? This is another area in which we need to do a little planning for the future. Grievance procedures may have to be developed.

We also need to look at the effect that raising mandatory retirement age will have. Most programs, as I have said, were devised when 65 was the upper limit and was the normal retirement age. What happens now if people take time off according to the rules, and then change their mind and postpone their date of retirement? We need to give some thought, in developing models, as to how to handle such problems. We must begin to identify some of the statutory as well as organizational incentives and disincentives in planning for a more widespread adoption of phased retirement.

The programs I have cited provide an initial starting point for discussion and help to identify necessary changes. We need to address these issues before we start to plan and to include them in the agenda of the 1981 White House Conference on Aging. We must also begin to experience with various models in different industries to determine what works and what doesn't. Since large numbers of older workers are not yet ready to take advantage of it, we have some time yet to design some experiments and perhaps head off some of the problems and "social dislocations" we have been talking about at this conference.

FLEXIBLE RETIREMENT:

A MANAGEMENT VIEWPOINT

Summary of a panel response by

Anna Marie Buchmann
Vice President for Human Resources
Bankers Life and Casualty

Bankers Life is a non-union life and health insurance company -- a neighorhood company spread over some 35 assorted buildings on the northwest side of Chicago. Today we have some 3,700 home office employees, over 70% of whom are women. Throughout our history we have never had an age of mandatory retirement. As of the present, approximately 5% of our employees -- 170 -- are over 65.

When a person elects to retire, he or she is sent for counseling to Ms. Shanker. (At age 77, Ms. Shanker tried retirement for herself but decided after two weeks that she wanted to remain a full-time employee.) She advises employees about our post-retirement part-time work option, which she herself was instrumental in designing. We maintain a core of some 19 retirees who come to Bankers at least one day a week to fill in gaps. This pool was created in March, 1979, following a survey we did of our retirees who were living within a five or ten mile radius of the company. Many of them, we found, were interested in doing something on a part-time basis. They didn't want to work full-time, but they wanted a change once in a while.

At the start of the program, there was very little interest from management, and it looked like things were not going too well. Then one morning there was an emergency call from one of the managers, and within an hour we produced six workers who completed a day's job within three hours. Other positions were found for them, and since that time we have had a very successful program. Now we

literally cannot keep up with the demand from managers.

We generally bring in our retirees for limited time projects. However, just recently a position was permanently assigned to the pool.

We see this program as an advantage to the individual because it satisfies the need for involvement, and as a benefit to the company because it provides us with people who know the job and our way of doing things. It saves us the cost of agency fees, and it costs the employees nothing. They maintain their full retirement benefits, and we monitor the amount of time they work so that they don't lost their Social Security benefits.

Since we have only a year's experience, we don't know how this is going to work out in the long run, but it seems very positive and beneficial at this point. On the issue of equitability, raised by the previous speaker, we offer this arrangement to any employee who leaves in good standing, and that's most of our employees. We even suggest that younger women who leave because of pregnancy join our pool, but to date no one in that age group has accepted.

We have not instituted some of the other options discussed earlier, but we are beginning to look at phased retirement, work sharing, reduced loads, industrial sabbaticals, and so on. We are just undertaking a study in this area.

We find that our retiree pool really represents an extension of individual decision making on the question of retirement: that is, how much do I want to remain involved after I offically retire? It has been extremely rewarding, both to management and to the employees who are involved in the program.

FLEXIBLE RETIREMENT:

A LABOR VIEWPOINT (I)

Summary of a panel response by

Robert Peterson
Secretary-Treasurer
Local 101
International Typographical Union

President
D.C. Central Labor Council

Let me give you a little of my background before offering my reaction to the programs outlined earlier. I am secretary-treasurer of my union, the Typographical Union, which puts me in the position of handling retirement and problems of all our members in Washington, D.C. We have 1200 retirees and many others eligible for retirement.

We are very proud of our heritage in the Typographical Union. We have had, for over 100 years, as part of our constitution, equal pay for male and female members, and no discrimination because of race, sex, color or religion. We also have no forced retirement, and never have had it. Many of our members at the age of 70 and 80 are still working full-time. Our late vice president, for example, worked until he was 83. In his last year, he decided to work a four-day week instead of five.

Our normal retirement age is 65, and we have been fighting for years now to negotiate early retirement options -- 50, 55, or 60 -- while resisting forced retirement. Not until four or five years ago did we have to file a forced retirement contract -- and only then because of the terrible impact of automation in the printing industry. Most of you have some knowledge, I am sure, of the impact of the fact that most of our type is now set on video display terminals and most of it is computerized operations. Because most of the younger members were getting

laid off because of seniority rules, we finally had to recognize some sort of forced retirement. We have only a half dozen contracts like this in the country.

We supported the raising of the age of mandatory retirement in 1978. We don't feel there should be any limit to it at all, but we recognize the inner conflicts it creates. I personally would like to retire at 55, but I will fight for the right of those members who want or need to stay on. Many of them feel vigorous and perfectly capable of working. I think this is the criterion we should look at.

When it comes to the flexible retirement programs described above, I have many problems. I can certainly sympathize with the workers in the eleven firms cited. The problem as I see it is benefits. What about their pensions, their health insurance, their reduction in salaries if they reduce their work week?

What about the companies involved in this? Are they really trying to edge the people out of the door while saving money? Or are they really trying to do something for the long-time dedicated employees? This is the question I would ask as a union negotiator. What is the purpose behind their plan? Because we hear it all the time in our contract negotiations.

Workers do mind a reduction in pay. They have the same kinds of family obligations. Some even have dependent children in the home. The type of plan I could support is the one we have in our union: anyone who takes full retirement benefits (for which they qualify at age 65) can return to the shop from which they retired, or any other shop with which we have a contract, and work two days a week as a substitute with no reduction in pension benefits. This is an alternative we have had for many, many years.

Of course, this may not work in all industries. My grandfather was an ironworker and he retired at age 65 because he just couldn't handle all the heavy steel work, the climbing, the dexterity necessary to do the work safely.

He had fallen a couple of times and broken a few bones, and he said he just didn't want to take the chance any more. And he lived for 22 more years.

So we realize that the type of work makes a difference in the type of option to be developed. We need to continue to look actively for alternatives.

But not alternatives that would punish the employee.

FLEXIBLE RETIREMENT:

A LABOR VIEWPOINT (II)

Summary of a panel response by

Douglas Kuhns
Assistant Director of Research
International Association of
Machinists and Aerospace Workers

I have been involved for over five years with the International Association of Machinists. My primary function is negotiating pension and insurance plans, and in this capacity I do quite a bit of traveling around the country. I should like to address two topics: the costs of mandatory retirement and the feasibility of flexible retirement.

It is my feeling that Social Security had considerable influence on the raising of the age of mandatory retirement. The Social Security Administration estimated that in the course of over five years after the passage of the 1978 Amendments to ADEA, the savings that would accrue from people retiring later on private pension plans would be in the neighborhood of $625 million a year. Mandatory retirement is expensive. It costs money.

For the most part, I have always been in the position of advocating a pension plan that did not have mandatory retirement. I remember one occasion when I was helping a local which wanted to lower the age of mandatory retirement from 68 to 65 to provide jobs for the youth of the town who were leaving. At that time I kept insisting that it would cost the union money to do this, and of course this turned out to be true. In addition, it made no difference to the youth of the town, who continued to leave, for very good reasons.

The trade union position has always been that the retirement decision, where possible, should be voluntary. Our philosophy has been that our whole purpose is to give people more control over their lives. This is one facet of it.

And cost is another factor. If you have voluntary retirement at age 65, most actuaries have said that the effective retirement age is 67. As soon as you let up on the mandatory retirement at age 65, you have a 10 - 20% potential reduction in cost. I think in many cases, getting away from mandatory retirement at age 65 will enable some pension plans to provide earlier retirement for those who want it, though the costs are not exactly equal. In any case, we believe the bargaining table should be the vehicle of termination policy, not the pension plan.

With regard to enabling people to work to older ages, we have no very clear policy. Allowing people to work part-time is going to be a difficult process in some cases, depending on industry conditions. My own feeling is that part-time work is more desirable if people work in blocks of time -- say, six months out of the year -- and take their pension for the balance. One of the problems with any kind of part-time work is benefits. Benefits costs are getting to tremendous levels these days. Medical insurance and dental insurance are out of sight. One of the solutions for all this, in our view, would be a national health insurance program that would at least remove this problem from the bargaining table.

On the question of conflicts between younger and older workers, you are going to have this no matter what you do. It comes up, for example, on the question of overtime scheduling and benefits versus take-home pay. To some extent ERISA has changed this in providing ten year vesting for practically everyone. But the conflicts are going to continue, and these will be the types of problems we will have to deal with.

DISCUSSION SUMMARY II

DISCUSSION SUMMARY II

(Unidentified discussants are coded: L = labor, M = management, and O = observer)

Sprague: Is there a problem with ERISA when workers retire and you want to hire them back on a part-time basis?

Knowles: If it's written in the pension plan, you can bring them back and let them collect their pension. If it's less than 1,000 hours a year, you don't have a problem. If they work over 1,000 hours a year, then you have to start accruing.

M: We save money by bringing them back through an agency such as Mature Temps.

Knowles: We go through a "job shop". We tell the job shop who we want and they take care of the payroll. Actually the individual doesn't have to deal directly with the job shop.

Buchmann: We consulted our outside legal attorney to make sure we were in compliance. We monitor the amount of work our retirees do so that they do not accrue 1,000 hours. We have a form asking them to decline participation in the pension plan when they come back as part-time employees.

Batten: The quasi-exclusionary rules of the ADEA just show its ambiguity on this issue. It seems to me, as I have said, either an older worker has the rights to the terms, conditions and privileges of employment or he doesn't. I understand the accommodation you make at Bankers. On the other hand, it's a discriminatory procedure.

Buchmann: Our people fully participate in the pension plan while they are active employees. When they enter part-time status, we make the same accommodations that we would to anyone entering the part-time pool. It's not age-related. What we have done is raised their salary. We pay them a certain rate and then we adjust hours for payroll purposes. We withhold Social Security and state tax; we do not deduct federal tax.

Perkins: Some of the companies Ms. McCarthy surveyed required a commitment to taper off for a maximum of two years and then retire. Yet things occur to make people change their minds. Requiring retirement scares me. Like Mr. Peterson, I will fight any plan that requires a person to make a commitment to retire at any time.

McCarthy: I agree with you totally. The plans I surveyed were designed when 65 was mandatory retirement age. The companies are now in the process of evaluating the impact of the law and restructuring their policies. They have to determine whether and how to offer the option. These are models which can serve as a base to point up the issues.

L: The labor spokesmen have put it well. We have to take a long hard look at

savings that are bound to accrue as a result of people working longer. When it comes to fringe benefits, you have got to ask how they are to be handled for part-timers. I'm all for pre-retirement counseling, but I would like to have that generosity flow right along with the pay. I'd like to see these people get some consideration from the union who is representing them and from management, to make sure that they are not simply trying to save money under the guise of generosity. If we take this approach, I see some prospect of real gain. Otherwise, I don't see any future for such programs.

O: I am learning that there is a tremendous range and variation on these issues within companies and within unions. Are there any informal correlations between kinds of innovative plans or presence of plans or collective bargaining contexts?

Zager: The universe we worked with in our survey of companies was very small. Some companies do not like to talk about it. Many unions are very wary about flexible practices of any kind. The strongest correlation we found for flexible practices, however, is a shortage of labor supply. When companies need particular skills, they begin to figure out ways of turning to older workers.

Odell: I think it's unfair to say that unions in general are opposed to innovative practices and procedures. In my experience with the United Auto Workers we have management/labor cooperation for pre-retirement and post-retirement programs. The innovative GULHEMP system, to measure functional age, developed for DeHavilland in Toronto could never have happened without the strong support and enthusiastic backing of the UAW local unions involved. On the other hand, there is a kind of pro-forma resistence to this kind of innovative business on the part of trade union leadership. The feeling is "let's not upset the boat." They also see the insidious potential in the legislative field which affords certain legislators the opportunity to undermine the whole system which has been in place for a long time. There are all kinds of motivations for getting things done. It isn't always a labor shortage that creates an interest. Sometimes it's a decline in business which requires a reconsideration of how you make an effective utilization of the older work force.

SPECIAL ISSUES OF RETIREMENT

FINANCIAL ACCOUNTABILITY

AND PUBLIC PENSIONS

Summary of a panel response by

Charles M. Loveless
Counsel for Employee Benefits
American Federation of
State, County and Municipal Employees

I should like to focus on some issues which have applicability to the public sector. I am specifically concerned with a problem of particular importance to state and local employees, which we should like to see addressed by the President's Commission on Pension Policy and the White House Conference on Aging.

While we recognize many of the problems that you have been discussing here -- problems associated with the interpretation and application of ERISA, problems associated with post-retirement inflation and retirement income adequacy, I think it needs to be pointed out that government employees are not covered by the major provisions of ERISA. Millions of state and local government employees have virtually no federal statutory protection in the retirement area. We believe there is a major crisis in the state and local pension plans. This is supported by the Pension Task Force of the House of Representatives study of public plans, a General Accounting Office study, and a host of others. Many state and local plans are dangerously underfunded. No comprehensive and uniform set of principles exists at either the state or the local or the federal level to adequately regulate state and local plans, and conflicts of interest in the management and investment of pension plan assets and the absense of meaningful reporting and disclosure standards are the order of the day.

40% of state and local government general employee plans do not furnish members with booklets or other materials describing plan provisions. Over 70% of all public plans do not compute the market value of plan assets. Approximately one quarter of the state plans and 40% of the local plans do not have actuarial

valuations performed on a regular basis. In fact, 25% of local government plans have not conducted an actuarial valuation within the past ten years.

My union advocates a comprehensive federal reform package which would be applicable to state and local plans, and this would include at a minimum mandatory standards, a fiduciary standard of conduct, and public sector Internal Revenue cost qualification standards.

Fortunately, we have some support in Congress. In February, 1980, Congressman Frank Thompson, Chairman of the House Labor Management Relations Subcommittee, and Congressman John Erlenborg, ranking minority member of the Subcommittee, introduced HR 6526, the so-called PERISA bill, which would mandate a minimum federal reporting and disclosure and fiduciary standards for state and local plans.

This affects all of us, in the private as well as the public sectors. It poses a major problem for state legislators, plan trustees and you, the general tax payer. I hope that one positive development from these discussions will be a recognition of the growing dimensions of the current crisis in public sector plans and the need for a positive remedy.

OCCUPATIONAL HEALTH AND RETIREMENT

Summary of a panel response by

Dan Berman
OSHA Grants Coordinator
Oil, Chemical and Atomic Workers
International Union

I think sometimes there is a certain unreality to our deliberations here. In the call to this conference, one of the purposes cited was to avoid confrontation. I would propose that the great industrial unions did not get organized through avoidance of confrontation, and I think this is something we might want to keep in mind.

Since we are entering a period of guaranteed high unemployment, perhaps higher than any time since World War II, I think we have to ask whether in fact it will be possible to improve programs for the elderly, or whether the result will just be more people working for less money. We must ask ourselves whether labor and management have the same interests.

I think the labor movement should take a very close look at the proposals for part-time work. Steven Brill points out in his book The Teamsters that part-time workers are very hard to integrate into the union. Whenever you have a large number of part-timers, as for example with United Parcel Service, you have to ask, "What is done about benefits?" At UPS part-timers get no benefits at all. The most innovative companies in terms of flexitime, flexiplace, etc., have been notoriously non-union or anti-union. We need to look very carefully at the effects of these proposals on union solidarity.

My primary purpose here, however, is to try to relate the issue of aging to problems of occupational health.

We have been told that we should make sure that there is an accurate cost accounting of pensions. I would say that we must have an accurate human accounting of what happens to older people and others in the workplace: what makes them

retire or leave -- or what makes them too sick to work by the time they reach retirement age? Perhaps a look at the asbestos issue will be illustrative.

Many people now know what they didn't know ten years ago -- that if you work with asbestos daily for 30 or 40 years, you have a 40% greater chance of dying from an asbestos related disease. 10% will die from asbestosis, 25% from lung cancer, 10% from mesothelioma.

For many years this information was suppressed, because the corporations were paying for the research. The breakthrough in linking asbestos exposure to lung cancer and mesothelioma was made in the mid-60's by Dr. Selikoff of Mt. Sinai School of Medicine. He was able to find a population with accurate pension and retirement records by working with Asbestos Workers Local 12 and 34 in New York City and Newark. Having access to these records which the asbestos industry giants, such as Johns-Manville, never made available, proved a link beyond a shadow of a doubt. And now we have a whole movement to remove asbestos from the workplaces of America. If we had waited for the companies to turn over their records, we'd still be spraying.

Alsheimer's Disease -- progressive senile dementia -- is another condition which may be occupationally related. Dr. Nick Proctor of Kaiser Aluminum thinks the death rate is perhaps 100,000 a year, far in excess of the official figure of 5,000. Some think aluminum exposure could be related to this condition. This again is the type of question which could be answered by a more open use of pension records.

Thus, when we talk about aging, retirement records, pensions, etc., we should be sure that such plans are used to prevent disease. Right now in our union, we are demanding mortality and morbidity figures from the oil industry, as part of the reporting requirements of a pension plan. We want human health reporting requirements, in addition to financial ones. We want to require the

company, the union, or whoever runs the plan to give death rates by job category, plant, length of service and other useful criteria. In this way, we might find out what is killing people in different occupations, and thereby create a healthier work force when it comes upon retirement.

PRODUCTIVITY AND PERFORMANCE

PRODUCTIVITY AND THE OLDER WORKER

Summary of a presentation by

Frank Schiff
Vice President and Chief Economist
Committee for Economic Development

I should like to concentrate on some major policy areas which should be of interest to the forthcoming White House Conference on Aging. Specifically, I should like to discuss increasing our productivity, because that, together with decreased inflation, should be a significant aid in easing the problems related to older worker employment and retirement.

You have heard about the developments we can expect at the turn of the century -- the rising retirement burden and the sharp increase in ratio of workers to non-workers and retirees. This can be alleviated by a series of developments. I am not sure that a later age of retirement is a solution, but certainly there should be a great deal of part-time work that people could do at a later age. Increasing productivity is another partial solution.

There are many aspects and policies related to productivity which may seem quite remote from the interests of older people and older workers -- more investment capital, accelerated depreciation, etc. These are not really so remote, considering the end result. I should like to talk more specifically, however, about some areas where problems of productivity and the older worker are more directly interconnected.

To have a more efficient, productive economy, we need to put greater stress on those industries that are most productive, most competitive internationally, and most innovative. This will mean phasing out other industries, and shifting resources away from the less efficient. Our present policies have often been precisely the opposite. They have been concerned with propping up dying industries and continuing non-productive practices. This is understandable in view of our

concern for those who would suffer most directly. But we need to take a more long-range view.

We must develop better ways of dealing with the people who would be affected. We must have more programs to see that these individuals are retrained or relocated so that they can remain productive members of our society.

I do not think that workers in dying industries should be forcibly retired at an early age, but we do need to develop ways of easing the transition. One of the things that should be high on our agenda is greater portability of pension rights, for example.

The question is raised about how to deal with people when there is general unemployment and recession. The traditional method has been to fire people at the end of the line. Although some older workers have seniority rights, many older people, especially women who have entered the job market late, do not have seniority and have a much harder time finding a job.

One alternative is to share the work. Go from a five-day week to a four-day week. Four days work for four days pay. This is important in retaining the productivity of the existing work force and not losing the skills which might otherwise be lost.

Another policy of considerable interest is a possible change in the Social Security laws in individual states which would make it possible to work a four-day week and have a fifth day covered by unemployment insurance.

Even when firms don't shift, much can be done to improve the quality and productivity of the existing work force. I don't believe in the stereotypes that older workers are necessarily less efficient. That is an individual matter. But I think when firms lose interest in developing their older workers nearing retirement, there is a boredom and loss of motivation, which results in inefficiency. I think what in many cases is needed is a much harder look by individual firms and

unions, at the needs of workers of all ages, relative to their capability and desires. Firms need to develop more opportunities for upgrading, skill training, retraining, second careers and so forth. Firms need to do an inventory of themselves and look around to see what others are doing. There are a number of intermediate organizations, both non-profit and profit-making, who can provide this service.

In addition, I think there should be other opportunities, incentives, and even governmental programs to give continuous retraining and skill training. In England and France, for example, most people as a matter of right get up to two years additional training at later ages.

Another way to increase productivity is to increase options through flexibility in work life -- part-time, job sharing, flexible retirement, etc. These opportunities should be available for those still in the work force. Women, who have home responsibilities, could particularly benefit from such flexibility.

These innovations, of course, should all be optional and voluntary. It should not be an excuse for exploitation, or a device to pay less in wages and benefits. Opportunities should be provided which have fair compensation, proportionate benefits, and so on. Unions play an important role in making sure this is the case.

Another aspect which has not been addressed here, but which will, I think, become increasingly important, is the need for greater flexibility in work places -- flexiplace. We have a tremendous potential in the development of computer terminals which could be placed in the home, and of other devices which mean that one does not always have to be tied to a particular place. We might also develop satellite work places within local communities, which would offer many opportunities to older people, and help in the transition to retirement. Control Data is now experimenting with this concept in their west coast operations for computer

programmers. The Continental Bank of Illinois is also doing some experiments.

To conclude, on the subject of productivity, I think there is much more that can be done in making better use of our older work population in terms of the broad needs of our society. In the future, there will be many needs that are not now taken care of very well -- care of the aged, home health services, counseling and training of the young and disadvantaged. There are great opportunities for older people to move into these fields, and it is important, from the point of view of equity as well as productivity. We will only have a productive society if we also have one which takes care of those who are less fortunate, who would otherwise be a burden, psychological as well as economic, on those who are still working.

JOB CAPABILITIES AND OLDER WORKERS

A Background Paper

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Age stereotypes, particularly those related to job capability, are deeply -- and often unconsciously -- ingrained. Even the best-intentioned of policy-makers can be susceptible. A 1977 survey of Harvard Business Review subscribers strongly suggests that even when there is a clear awareness and concern about the plight of older workers, in the management decision-making process the assumptions of older worker rigidity, cautiousness, resistence to change, disinterest in self-development, nervousness, lack of creativity, and mental decline, etc., often prevail. (Rosen and Jerdee, 1977)

Such stereotypes are harmful to older workers because of the administrative obstacles they create for career progress: the reluctance to give corrective feed-back; the hesitance to support skills upgrading or retraining; the unwillingness to promote older employees to positions requiring creativity or crisis management; and the overall policy of encouraging early retirement. Additionally, bias -- of any kind -- can become internalized by its object, and ultimately create a self-fulfilling prophesy.

The purpose of this paper is to re-evaluate age stereotypes: to survey the major findings on age and job capability. This investigation encompasses the relationship between age and physical, mental and emotional development with a particular emphasis on those functions and attributes most relevant to job performance. It includes controlled laboratory research, statistical studies from industry and clinical observation. Findings and conclusions are of interest to both employers and employees for a variety of reasons:

- they suggest what basis, in fact, exists for the common stereotypes;
- they are useful in enabling administrators to make fair and sound personnel policies for all age groups;
- they provide a context within which to develop objective, bias-free criteria for performance assessment;
- they help provide an employer with a defensible stance in the face of age discrimination suits;
- hopefully they can help prevent the necessity for such litigation in the first place.

There are a number of problems in synthesizing and interpreting the findings of such a survey. Adequate criteria of job performance are often elusive. Tangible criteria, such as outputs, sales, etc., may be quantified statistically, but not so, intangible contributions, such as leadership, emotional maturity, care of equipment, etc. Industrial studies produce results about which one cannot always generalize. And laboratory studies which measure maximum performance or minimum threshholds are often not relevant to the realities of the workplace.

Another problem with this research lies in the comparability of contrasted age groups. Longitudinal studies, where performance over time is noted, suffers inevitably from the problems of attrition. Some 50 year-olds are not around

at age 60. And those who are, may be superior as a group. Cross-sectional studies, on the other hand, suffer from problems of intergenerational differences (Schaie & Labouvie-Vief, 1974): 50-year-olds as a group perform better on tests than did 50-year-olds a decade ago. When one measures workers in an industrial setting, self-selection can occur, thus "unbalancing" the comparison groups. Older postal mail sorters, for example, may be less able as a group than younger ones, because the superior workers of their age have long ago been promoted to higher positions. On the other hand, it sometimes happens that older skilled production workers outperform younger ones because the less able in their group have dropped out over the years.

Despite these and other problems, discernable age patterns do appear in the studies as a whole and are worth examining.

Age and Job Performance

An interest in older worker performance has been apparent since early in the century, but began to take on momentum just before and during World War II with the "war effort". In 1943 Ross McFarland, examining industry data on productivity, labor turnover, individual accidents and sickness or absenteeism, suggested that older workers, if properly placed, could function most effectively. They had, he found, greater job stability, fewer accidents and less time off from work. (McFarland, 1943) These findings have been borne out in numerous studies since that time.

In England in the 50's the Nuffield Foundation, encouraged by the work of A. T. Welford in his examination of age and skill, began to sponsor a number of industrial studies to see if aging effects, observable in the laboratory, were operating in the work setting. These studies included analyses of industrial records, investigations of the age composition of various jobs and occupations, and even direct observation of performance patterns of sample older and younger workers. A major finding was that older workers are most handicapped in jobs requiring strenuous, fast-paced activity. (Nuffield Foundation, 1963)

Another series of studies, both in the United States and Europe, was related to public safety. Airline pilots, for example, were studied during World War II by McFarland, who found that ability, not age alone, was the basic criterion of acceptability. (McFarland, et. al., 1939) Later, he checked accident records of airlines and found that the younger pilots clearly had a higher accident rate. Similar findings were reported by a study of London Transport bus drivers: older drivers had the better safety record. In fact, the safest were aged 60-64. Drivers under 40, with four years or less experience, had a higher rate than those over 40 with the same amount of experience. (Norman, 1966)

In the U.S., during the fifties, an active interest in older workers began to develop with the emergence of various small age advocacy groups. In 1953 the National Committee on the Aging (later the National Council on the Aging, Inc.) appointed some technical committees to examine data on older workers. Cited in the findings was a study of 200 firms which suggested that, while on most aspects of performance, older and younger workers were equal, older workers appeared to be less willing to suggest or adapt to new ideas, and slightly less proficient at strenuous manual and fast-paced work. Another rather interesting study cited was that conducted by Heinz and Co. of its own work force. Findings pointed to a definite relationship between type of job and older worker performance. The company found that on those jobs requiring skill and accuracy, no great difference was noted between older and younger employees. On those involving raw materials processing, the older workers were more productive, while in transportation, warehousing, and certain high-pressure production jobs, they were less efficient. (Mathiasen, 1959) The implication, once again, seems to be that, where experience is important, older workers have the advantage; where physical strength and sustained rapid action is needed, they fall behind.

In the latter half of the fifties, the U.S. Department of Labor decided to undertake some formal studies of older worker performance as part of a systematic effort to investigate problems of older workers. Their findings have not yet been superceded and still essentially provide the basis of our knowledge about older workers performance in production and clerical occupations. The first was a pilot study, conducted in 1956, of outputs per man hour, attendance, injuries and separations in light manufacturing plants in the footwear and men's clothing industries. Results indicate that the average output remained stable until age 55, with a slight decline thereafter. Important to note is the fact that considerable variation in productivity was found in all age groups. In the area of attendance, no great difference was noted between age groups, but turnover rates did show a significant age difference. The highest rate of separations was for workers under 25, the lowest for those 45-65.

In 1957, the Bureau of Labor statistics followed up on this study by collecting data in the footwear and furniture industries. Outputs, attendance and continuity of service were once again investigated. In these industries, where the work is somewhat more strenuous, worker outputs began to decline after age 35, but not markedly so until age 65. Again workers between 45 and 64 had the greatest continuity of service.

In 1960, clerical workers were the focus of BLS attention. A study of the office records of 6,000 office workers produced a number of findings. Outputs did not vary greatly between age groups -- less so than among factory workers. Rate of output, however, was steadier for the older age groups, and many older workers performed better than average younger ones. Accuracy did not seem to differ by age, although again, there was considerable variation within age groups.

In 1961, mail sorters in 12 major cities were studied. (Walker, 1964) This is a clerical occupation where speed and time pressure play an evident role. In this study slight decreases in productivity were measured after age 45, with a considerable drop off after age 65. A steadier, more consistent performance was noted in the older age groups. In this particular study, the "progressive selection" factor may be in evidence. The better mail sorters may have been promoted to other jobs and therefore be "out of the running."

Older worker sales performance was studied by the Canadian government in 1959. The Economics and Research Branch of the Canadian Department of Labour examined the records of 1,018 clerks in two metropolitan areas, to determine what differences become apparent with age. They found that sales volume increased gradually with experience and age, peaking between 51 and 55, and then leveling off and declining slowly. Interestingly enough, workers hired over age 40 tended to outperform those hired below 30. The older worker received a higher performance rating than did the younger, in a shorter period of time.

In other studies of ratings, older workers have also fared well. In three studies conducted by the University of Illinois, the ratings of 3,077 employees over 60 in retailing, industrial, office and managerial positions were evaluated. Evidence indicates that these older employees were considered at least as good as their younger counterparts, with regard to judgement, work quality, work volume, human relations skills, dependability and absenteeism. There is also no evidence of any specific age at which such employees become unproductive. Once again, the variation is enormous. (Peterson, N.D.)

Studies of ratings can provide the kind of information which "output" studies cited earlier tend to miss -- the intangibles contributed by older workers. A very early study conducted in the '30's for the National Association of Manufacturers, the U. S. Chamber of Commerce and the N. Y. State Joint Legislative Committee on the Problems of Aging, may shed some light. (Barkin, 1933) Not only were older workers found to be steadier and more reliable, they were found to have better work habits, and, quite importantly, to have a stabilizing influence on younger employees.

Some tentative conclusions can be derived from these performance studies:

- that in jobs where "outputs" are reasonably easily quantified, there is no significant decline before age 65, and then sometimes not for many years later;

- that jobs which have physical demands or are highly paced take their toll of older workers earlier than do sedentary self-paced jobs;

- that older workers are in most work settings at least as accurate as younger workers;

- that older workers are more consistent and have a steadier rate of output than younger workers;

- that older workers have no greater absenteeism and may be less inclined to leave their jobs permanently;

- and that older workers -- like younger ones -- show great individual variation in performance.

To get a more complete picture, however, particularly with regard to older worker performance in those jobs which entail complex physical or cognitive skills, this paper will now turn its attention to studies relating those discrete functions -- physical capacity, cognitive processes, and emotional factors, which bear on the ability to do a job.

Age and Physical Capacity

It is no secret that age has a cumulative decremental effect on physical capacity. This refers, basically, to sensory-motor performance, which, it has been suggested, can decline by as much as 50% in older workers. (Stokoe, 1967) Although there is much variation, there is a noticeable, if gradual, decline in many human senses, beginning with middle age. Visual deficits often occur. There is a tendency to greater sensitivity to glare after age 40. Often depth perception changes. Auditory deficits are common also, affecting not only discrimination of tone and pitch, but also the understanding of speech and thus, the processing of information. Also increased with age is a susceptibility to chronic disease, such as cardiovascular problems or rheumatoid arthritis, which conditions can affect not only physical stamina and dexterity, but also mental processes.

In terms of pure physical strenth, studies suggest that maximum bodily strenth peaks in the twenties, after which there is a progressive decline. (Speakman, 1956) Capacity to exert a sustained maximum effort also declines with age, starting relatively early. Fortunately, the human body is "overbuilt", and most work loads that people select for themselves require well below the maximum effort. In the building industry, for example, studies have shown that the load voluntarily chosen by builders requires, on the average, about 40% of maximum sustained capacity. Thus, decrements in maximum strength and capacity can limit an older worker's effectiveness in heavy work, but plays a relatively small role in lighter work. (Welford, 1977)

An aspect of perceptual and motor performance which does slow down with age, to the detriment of older workers, is speed of reaction time: the time taken to receive a stimulus or signal and respond by performing a task. This reaction time increases with age, with the result that it takes older people longer to complete a series of movements of functions. Additionally, the more complex the stimulus, the more reaction time is needed, especially since there seems to be an increased difficulty in discrimination between relevant and irrelevant cues. (Griew, 1958)

The slowing of reaction time has been attributed to a number of causes, none of which are perfectly understood. Among them are "neural noise" (or, neurons in the brain misfiring and creating a kind of interference); cardiovascular impairments - which bring less blood to the brain; decreased signal strength from sense organs; and simply lack of practice. (Welford, 1977)

An increased caution, characteristic of older people, may also be related to slowed reaction time. There also is a definite tendency for older individuals to monitor signals carefully before reacting, perhaps by way of compensating for perceived limitations in capacity. (Welford, 1977)

The slowing of reaction time has several consequences for older workers. One is a diminished capacity by age 50 (Griew, 1958) to perform well on fast-paced activities -- a finding which appears repeatedly in both industrial and laboratory studies. The other is a diminished capacity to take advantage of pre-stimuli cues or to respond to complex stimuli, because the time taken to process one signal interferes with attentiveness to the next signal. (Haberlandt, 1973) Also slowed with age is performance on spatial visualization tasks and tasks involving symbolic transpositions, such as coding. Welford (1977) suggests that this may, in part, result from the need to hold data in the mind while performing a manipulation. Such retention becomes a problem to older people because of short term memory deficits which come with age.

While these perceptual-motor age limitations are evident and are clearly measurable in the laboratory setting, it is important, nonetheless, to bear in mind that they do not necessarily limit the ability to perform a job. For one thing, they represent a maximum capacity, and most jobs do not require this maximum. Furthermore, the tendency, noted earlier, for older individuals to evolve compensatory work strategies often helps them to perform successfully. The result is that, particularly in slow-paced or reasonably predictable work, perceptual age limitations often play little or no role until age 60 or beyond. In highly paced work, where time pressures are important, or where complex or unpredictable stimuli are involved, age limitations are clearly important. From such activities most older workers select themselves out by late middle age. (Nuffield Foundation, 1963)

Age and Cognitive Abilities

There has been a great deal of research into age and cognitive abilities, and much controversy has centered here, for ideological as well as scientific reasons. Studies suggesting a relatively early decline of abilities have been used to support forced retirement policies, while those suggesting cognitive "longevity" have been cited to refute them. What follows is an attempt to summarize and analyze the findings as objectively as possible to see how they bear specifically to older workers.

The "common wisdom" about age and intellect, at least in psychological circles, is that "crystallized" abilities remain constant and may even improve into the 60's after which they decline greater while "fluid" abilities decline from age 30 or so on. This dichotomy is basically the formulation of Horn and Catell (1967), and results from an analysis of differential performance with age on the standard I.Q. test. Crystallized abilities are essentially verbal abilities -- those which reflect training through the educational system and the culture in general. They include vocabulary, verbal comprehension, verbal reasoning, and so forth. Fluid abilities are those involving inherent or inductive reasoning and non-verbal abilities are those involving inherent or inductive reasoning and non-verbal and highly-speeded functions. Some psychologists suggest that such a dichotomy is not really fair or useful in analyzing age-related declines. Russel Green, for example, questions whether usage or practice, more than inherent neurological changes, may be the important factor at play. He points out that most

"crystallized abilities", are stored abilities, which are used daily throughout the lifespan, while "fluid abilities" involve procedures which people perform less frequently. (Green, 1972) To explore this further, it would be useful to look at some of the discrete abilities involved, beginning with memory.

Although different scientists use different terminologies, it is well documented that age brings increasing difficulty with immediate memory, while long-term memory remains fairly well intact. The reason for this deficiency is not clear. Welford (1977) and others have suggested that random brain activity ("neural noise") interferes with encoding -- the creation in the brain of "memory traces", whose function is to transport new information into enduring storage. Certainly it is true that older people are more susceptible to interference. An older person who is distracted is less likely to absorb information than a younger one, perhaps due to an "erasure phenomenon". In laboratory tests older subjects often fail to respond to a signal when it is closely followed by another. The first stimulus appears to be eradicated by the second. (Haberlandt, 1973)

Another explanation for short-term memory deficits centers on memory retrieval rather than storage. Craik (1977) and others suggest that older people may be less able to make use of cues for appropriate recall of information, and suffer, in effect, from "cue overload". Supporting this theory is the fact that older people can often recognize information of which they have no recall. (Schonfield and Robinson, 1966) They are also far less prone to use "memory devices" in trying to absorb information. (Hulicka and Grossman, 1967) but have been shown to remember as well as their younger counterparts when information is given to them in a highly meaningful context, e.g. recalling the facts of a story. (Moenster, 1972) Perhaps both encoding and retrieval are involved.

In more complex cognitive functioning, we also find age-related decrements. The most noteworthy, perhaps, is the increase in reaction time, which appears, as we have seen, in other areas of performance. With the slow-down comes a decreased efficiency in several kinds of problem solving tasks. For example, where transmission of information is involved, older people have been shown to be less able to perceive structures or rules of classification to simplify their task. (Rabbitt, 1968) They appear to take longer to inspect stimuli, be less able to disregard the irrelevant, and be slower to make discriminations. (Haberlandt, 1973) Because of short-term deficits, they also appear to be less capable of retaining a multiplicity of information in the brain for later manipulation, or to effect complex recodings of information. (Welford, 1977)

The major characteristics of intellectual change, then, appear to be: 1) a decrease in short term memory; 2) a slowing down of performance; and 3) a decreased efficiency in comprehension or problem solving, especially those tasks involving discrimination, coding, or retention. These characteristics would seem to indicate a neurological basis for intellectual change with age. However, it would be unfair and inappropriate to ignore motivational factors, which play as important a role in middle and old age as they do in childhood.

Motivation

Although the extent of their influence is not clear, attitudes such as overcaution, diffidence, lack of confidence, and lack of interest all play a role in the intellectual performance of older people. Developmental psychologists suggest that an individual's view of himself and the world progresses through a series of stages during his life. Career patterns generally follow these stages. Early in life are the stages of growth, exploration and consolidation. As life roles change, and the individual perceives his life span in terms of "years left to live", there comes a kind of contraction, an innerward pulling, and gradual disinterest in things that don't immediately effect him. The emphasis shifts from acquisition to preservation and accommodation. (Rosen and Neugarten, 1964; Welford, 1976) This

orientation accounts, perhaps, for the progressive disinclination to deal with abstractions. Certainly it is apparent that where concerns are meaningful, intellectual functioning is negligibly impaired late into life.

Crucial also to intellectual functioning is the element of confidence. It would appear that in many areas, particularly where practice is lacking, there comes a noticeable decline in self assurance with age. Specific age-related losses (of role, stamina, health, family, etc.) can cause a generalized loss of confidence, and the stereotyping of others will often exaccerbate this. The result may be the perceptible tendency toward caution noted earlier. Older people do not function well under high risk conditions. They need, for example, a higher certainty of success before they are willing to venture a guess. (Botwinick, 1966) They are more cautious in the decisions they make and attach less value to risk-taking as a whole. (Vroom and Pahl, 1971) This cautiousness inevitably results in some degree of rigidity and avoidance of innovative solutions. However, it is a highly individual personality variable; quite evident in some, while far less so in others.

Lack of competitiveness is another attribute which has been associated with age. This appears to be "part and parcel" the increasing tendency to focus on the self, at the expense of the outside world. It has been found that older people often disavow competition, emphasizing instead their own humane qualities. (Gutman, 1964) It has even been suggested that this may be related to a decreased interest in professional advancement. Whatever the case, it clearly can influence the intensity with which older people approach or attack intellectual problems.

Cognitive Changes: Implications and Applications

Several conclusions may tentatively be drawn from cognitive research. Clearly there are declines in speed and efficiency of response, particularly on non-verbal reasoning tasks. However, the declines are highly individual and cannot be said to occur at any specific age, before the '50's at least. It is quite likely that health is related to some of these declines. Longitudinal studies suggest that the more able individuals tend to survive longer than the less able ones. (Arenberg, 1974) It is also suggested that the more intellectually endowed are likely to suffer fewer losses, and those losses later in life. As-75-year old psychologist Donald Hebb, a specialist in brain studies, remarked, "My observation is that I'm not as smart as I used to be ... Mind you, I'm smarter than some of my colleagues..." (Cohen, 1980)

Verbal skills appear to hold up, sometimes into the '70's and beyond, and older individuals perform quite adequately on "self-paced" verbal reasoning or problem solving in familiar situations.

In terms of practical implications for the workplace, several points should be made. What we know about age-decrements in mental function come primarily from standard verbal measures of this (I.Q. tests) or specific exercises in controlled laboratory settings. Most I.Q. tests, it has been pointed out (Krauss, 1979), are actually inappropriate measures for older individuals, because they tend to be highly speeded and largely abstract. They do not enable these people to demonstrate the real extent of their abilities to learn or understand. More appropriate measures have yet to be effected, but would be self-paced and would involve materials and procedures with which the subject is thoroughly familiar.

As with physical work, it is important to remember that maximum intellectual capacity is rarely called for, even in high level professional and scientific occupations. Yet the measures and studies cited earlier generally deal with maximum levels. Such studies may also be misleading because they do not account for the interplay between experience and successful functioning. While an older individual may be less efficient than a younger one in a <u>new</u> setting, in the workplace where he has a meaningful context and familiar cues, his experience can compensate for whatever innate deficiencies occur. An interesting example of this is Vroom's 1971 study of decision-making among managers, which showed that, although older managers are more cautious than younger ones, they are better able to evaluate new information in their decision-making process. Apparently, though we have increas-

ingly fewer brain cells as we age, we are better able to make use of the ones we have.

In the most practical terms, the cognitive research would seem to indicate that for jobs requiring highly speeded action reactions, highly innovative, intuitive reasoning, or sophisticated spatial visualization, older individuals are less likely to be comfortable or function appropriately; however, for most other jobs there is no evidence of inherent incapacity. An older employee is likely to perform best at his own pace in unambigious and low risk conditions. Where tasks are unfamiliar, he does his best where the information he needs is pointed out ahead of time. Such conditions can also optimize the learning process for older individuals, and some interesting procedures have been developed to this end.

Most noteworthy of the adult training methods is, perhaps, the "Discovery Method", developed by British psychologists Belbin and Belbin. (1972) Essentially the technique involves learning through performance. Rather than the formal presentation of instructions, followed by practical application, this method begins with the practical application and allows the learner to understand his mistakes. The learning is self-paced, on a progression of short discrete tasks, and the method allows for immediate feedback and correction. Verbal communications is kept at a minimum, as is the intercession of instructors. Some classic demonstrations have shown that under these conditions older employees can be trained as effectively as younger ones: you can teach an old dog new tricks.

Conclusions

Which brings us back to where we started -- the common stereotypes of age. What then, does the research suggest? Is there basis in fact for our common beliefs? Clearly there is evidence that older individuals slow with age, both physically and mentally. They become more cautious and less willing to take risks. They prefer the concrete and familiar to the abstract, and shy away from ambiguous situations. On the other hand, it is apparent that with experience they become more stable, consistent and accurate. They find various ways to compensate for deficiencies. The question becomes, not "Do such things occur?", but "When do they occur?" Even the most exquisitely designed experiments cannot pinpoint the exact age of decline. There is enormous variation between individuals and this variability only increases with age. (Were our children to show such variation, we would certainly not make age-based decisions.)

This range of individual differences makes the concept of "functional age" a particularly useful one to consider. "Functional age" refers to developmental stage (in terms of ability to perform a function), as opposed to chronological age. Some interesting work has been done in this area, including the development of a functional age measure -- the GULHEMP scale -- and an attempt to use the scale to match individual capacities to job demands. (Batten, 1973) While the GULHEMP scale is now considered to have weaknesses, particularly with regard to cognitive and personality variables, it is nonetheless an appropriate approach. For it is becoming increasingly clear that with the age of mandatory retirement lifted to 70, employers are going to want and need some kind of "age-free" ability gauge. For both legal and practical reasons, they will be forced to make individual, rather than age-related, decisions about their employees. For this reason, appropriate skill measures and job performance evaluation procedures will have to be developed.

The new rules on mandatory retirement will affect employees also, and they, too, will have to take responsibility for what happens. No longer can they afford to slacken in performance or "go to seed" in anticipation of automatic retirement. Karl Kunze, long active in this area, had the correct approach, when he stated in his article, "Age and Work" (1976):

> The assumption is rife that as one grows older, one deteriorates in work performance. If an older worker is performing poorly, he is considered to

be losing his grip. If such a performer is young, he needs jacking up. If an older worker is enthusiastic, imaginative, spirited, or productive, he is considered exceptional.

My experience in both management and industrial relations suggests that:

The individual is responsible for his own career development, and the planning and decision-making that goes into it. He is responsible for assuming initiative in updating himself before he obsolesces. Whether someone self-improves or self-destructs is his own decision.

It is the employer's responsibility to provide opportunities and the environment for career development, including:

- varied assignments to stem early crystallization
- job design for optimum job satisfaction and productivity
- internal-external course
- supportive supervision

The consequences of underutilization of older people in our work force is enormous.

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DISCUSSION SUMMARY III

DISCUSSION SUMMARY III

(Unidentified discussants are coded: L = Labor, M = Management, and O = Observer)

Batten: What I'm concerned about is that when we talk about productivity in American industry, what do employers have to learn about productivity in the workplace--what can the older worker do and not do?

Schiff: The recent studies show that you cannot make generalizations that older workers are necessarily less productive in terms of the needs of a job. It is true that more attention needs to be paid for opportunities for retraining, for reassigning, etc., to make older workers more productive. Other things--greater flexibility of workplace--can also make people far more productive. Parenthetically, I should like to just mention that with regard to work in the home, we need to recognize that there are many women, who as homemakers are performing work but are not counted as being in the work force. We need to make adequate account of this. We have to find a way of putting a money value on this work for Social Security purposes.

O: I recently talked to John Blanchfield, Executive Director of the Senior Personnel Employment Council in Westchester County, which places retired workers back in the work force, and he said that one of the biggest problems they face with employers is the stereotyping of older workers. On a policy level, can we approach addressing these stereotypes?

Zager: It's only recently that big companies have begun to pay attention to the possibility of using older workers. The Work in America Institute recommends that you find out what has been done by progressive employers. Usually that takes place in areas where there is a shortage of other employees. It's something that is going to happen gradually, we think, by force of good example and by force of demographic changes.

Sprinkle: I think you have to improve the image of the older worker through the media. We also have to turn back to the Congress and the Department of Labor to change this opinion nationally. At Over 60 Employment and Counseling Service our experience has been that a specialized agency dealing with older people is very helpful. We use very careful screening and over the years have built a reputation.

Black: This is a case where we have to change the attitudes and the behaviors of the first line supervisors, personnel people, and middle-managers. We face the same problem we face with the hiring of the handicapped, minorities, women. People have to collect data, make some noise and complain about older workers. We have to change personnel practices--hiring, selection, placement, screening. Congress can't to that; regulation won't do it. We have to measure the performance of managers, and those who develop and apply policies.

CONCLUSIONS

NATIONAL POLICY ISSUES

AND SOLUTIONS AT THE WORKPLACE

A summary of concluding remarks by

Charles E. Odell, Sr.
Former Director
Older and Retired Workers Department
United Automobile Workers
and
Former Director
U.S. Employment Service

As a frustrated operator and machinator in this general field, I see some important and promising developments coming out of this and other meetings, including the White House Conference on Aging.

The first is the fortunate fact that Congress lifted the age of mandatory retirement because it has eliminated what was one of the highly charged emotional issues of the White House Conferences of 1950, 1960, 1970, and people were compelled to spend a great deal of time debating it. While the issue still lurks around, I was impressed at this conference that nobody seemed to be defending mandatory retirement as such. I see it as a tremendous gain because it means we can move on to higher ground and discuss some of the more practical, meaningful, and substantive issues involved.

A second blessing is that the President's Commission on Pension Policy is about to issue its preliminary report and perceives its deliberations as something that can be integrated into the White House Conference. Basic issues it raises are the feasibility of supporting a basic mandatory level of private or voluntary pension benefits in this country, issues of tax incentives, level of benefits and indexing of benefits, etc.

We are also fortunate for the report and case book of the Work in America

Institute. I am excited about the fact that they tried to isolate case study information, which is what people have been asking the Department of Labor to do. There was a time when the DOL did some of this, but unfortunately there has been such a low level of commitment in DOL to the whole idea of sharing information this way that we can hope that this report can stimulate such an interest once again.

Fortunate, too, is the fact that the Aging Committees in both the House and in the Senate are giving relatively high priority and visibility to employment and retirement issues in hearings and reports at this time. I used to testify for the Department of Labor before the Senate Special Committee on Aging, and I would rationalize the Department's failure and advocate some positive programs. The Department learned that it wasn't safe to send me out there because in one way or another I'd figure out a way to create a situation in which they were going to be obliged to do something about the problem.

We are also fortunate that Harold Sheppard has been named Counselor to the President for Aging because he is one of the strongest advocates and best-informed people in the work in these areas.

We are lucky that Adelphi University was able to sponsor this conference and make it possible for representatives from labor, management and interested public and voluntary agencies to exchange views and ideas. One basic problem in this field is providing forums for labor and management dialogue in connecting with the issues.

The issue now is whether this is the end or the beginning of the dialogue. I see it as the beginning. The issues raised in this conference will be "pumped into" the White House Conference deliberations which Jerome Waldie has described for us.

If I were to identify a central, overriding theme or issue which I think

we need to insure is discussed, it is the legislative and administrative strategies needed to insure that the potential objectives set forth under the ADEA, both with regard to mandatory retirement and the enforcement of the educational mandates of the Act (Title III) are effectively implemented. We need to put teeth into the implementation and enforcement of the Act. An overriding theme in this conference is that there is an inherent, latent, subtle and overt age discrimination in every aspect of American life, particularly in the way we manage and administer our employment and personnel programs. Not mentioned here, surprisingly, is the finding of the Civil Rights Commission of age discriminatory attitudes and practices among federal/state agencies who serve substantial numbers of older persons. In CETA programs, rehabilitation programs, vocational education, health and mental health programs, there is overt evidence of practices excluding a representative cross section of middle-aged and older persons from programs. Managers feel that services will not yield results for these people. Yet when I was in the Department of Labor, I managed studies which showed that giving older workers meaningful counseling, job development and placement services increased their employment prospects by 200 to 300%.

We ought to be encouraging management and labor to think in terms of hiring middle-aged and older persons on the basis of ability, without regard to age.

We ought to be encouraging retirement on the basis of complete freedom of choice and flexibility, starting even with disability retirement and early retirement.

We ought to encourage the development and implementation of retirement preparation programs, starting at a very early age and operating on a continuum with intensive counseling well along the process.

We must promote good personnel utilization practices in depth. As Dan Knowles mentioned, we are talking about good utilization, good reassignment, good development and training, which treats an older person as any other person would be treated

on the job.

My final point relates to the issue of community involvement and participation to insure that those who do retire are adequately supported with the kinds of services and programs that are necessary and desirable to achieve a satisfactory adjustment in retirement.

I hope you share with me the feeling that this conference has not only been worthwhile, but that it has been a stimulating and energizing experience which ought to give us a new sense of charge and responsibility for seeing to it that the prccess doesn't end here, but that it begins here.

NATIONAL EMPLOYMENT AND RETIREMENT POLICY ISSUES FOR CONSIDERATION BY THE WHITE HOUSE CONFERENCE ON AGING

Norman Sprague

Introduction

Employment policy for middle-aged and older workers and retirement policy cannot be separated from each other.

We are a society with a rising population of older people and a decline in younger members of the work force to support them. The population pyramid has developed "middle-aged spread". More and more people are living into their seventies, eighties and beyond, a vast majority of them women. It is not realistic to ask them to work. It is realistic to look differently at the "old old" and the "young old" (those below their early 70's). If it is determined that persons after age 65 should be provided additional incentives to remain at work, if they choose to, so that there is enough money to support the "old old", then we would have a labor force retention policy. But, then we must have an effective employment policy so that there are jobs for people to be encouraged to remain in.

This is part of the context within which the employment/retirement issues of 1980 are cited. In addition, of course, these issues must be resolved within an economy that is not growing at the rates of past decades. We have high energy costs, industrial competition from abroad, inflation, lowered productivity, unemployment, and other social and economic problems.

The nation should develop a comprehensive employment and retirement policy, coordinating aspects of the Employment Act of 1946, the Age Discrimination in Employment Act, Social Security Act, the Employee Retirement Income Security Act, the Older Americans Act, and other legislation.

The national policy issues identified by the private sector representatives at this conference are parts of what might become a national employment and retirement policy.

There was a general consensus among the participants that a management/labor dialogue around these issues should continue.

Issues

1. That a defined older worker policy be developed to prevent the decline in labor force participation of older age groups.

2. That government provide incentives or assistance to facilitate the retention of older workers - for example, in defraying increased costs.

3. That government make a greater effort to provide employers and unions with research findings on older worker abilities and how to accommodate them, as well as local labor force information.

4. That mandatory retirement be abolished.

5. That a nationally sponsored second career training program be developed for job losers over age 50.

6. That the Age Discrimination in Employment Act be strengthened to offer greater protections for older workers.

7. That, in our national effort to increase the productivity and competitiveness of American industry, the particular needs of older workers be remembered, and that consideration be given to exploring part-time, flexitime, and flexiplace options.

8. That amendments be made in the Employee Retirement Income Security Act to make it easier for employees to enter partial retirement.

9. That government make a greater effort (through tax incentives, etc.) to stimulate the part-time employment of retirees.

10. That economic policies be pursued that will result in full employment for all.

11. That revisions be made in the Social Security system, with regard to funding, benefit levels and age limits.

12. That consideration be given to mandatory Social Security coverage for all workers.

13. That women be given Social Security credit for unpaid work done in the home.

14. That policies be enacted to assure adequate retirement income for disadvantaged groups - particularly minorities and women - through universal pension coverage, shortened vesting periods, and portability of pensions.

APPENDICES

Thomas Litras, General Manager, Personnel Planning, U.S. Steel Corporation, Pittsburgh, Pennslyvania, was invited to make a presentation at the conference. Unfortunately, he was unable to attend at the last minute. The following article, "The Battle Over Retirement Policies and Practices" (February, 1979, copyright) is reprinted with permission of the Personnel Journal, Costa Mesa, California.

PERSONNEL JOURNAL REPRINT

The Battle Over Retirement Policies And Practices

Thomas S. Litras

Manager
Personnel and Research Services
U.S. Steel Research
Monroeville, Pennsylvania

Less than 15 years ago, many social scientists—including some economists—were extolling the virtues of early retirement as one means of solving the problems of unemployment. It was felt that accelerated retirement programs would make room not only for the young, but also for blacks and women seeking entry into the labor market. With the expected and unprecedented growth in the number of persons aged 14 to 24 (an increase of over nine million people between 1964 and 1970), there was serious concern that the economy could not expand fast enough to accommodate even the young job seekers, let alone those in the minority and female categories who, prior to 1964, had not been seriously considered as job-market candidates.

However, lest this approach be considered too callous or mechanistic, its advocates pointed to other blessings of early retirement:

1) **Elderly workers could escape from monotonous and/or grueling work**
2) **Industry and business could gracefully rid themselves of older employees who were alleged to be poor candidates for retraining in the new production systems and techniques**
3) **Early retirement could be seen as a logical extension of mass pension plans—presupposing that people need not work to the point of dropping dead.**[1]

This perception of early retirement was not restricted to scholars, behavioral scientists, economists and businesspeople—it was eagerly embraced by many union leaders as well. In 1964, the United Rubber Workers won a "normal" retirement age of 62 from the five major rubber companies. That same year, the United Auto Workers obtained what was considered the most attractive of all early retirement pension plans, with the early retiree getting a bigger pension than the person who worked to age 65.

During this same period, the Oil, Chemical, and Atomic Workers won the "62" normal retirement age from Sinclair Oil Corporation, the United Mine Workers lowered retirement-age eligibility to 55, and the Teamsters won retirement at 57.

These events were also described as opportunities which would open up new vistas of leisure. But while this potential did—and still does—exist, early retirement for many means a descent into poverty. Since most pension plans are actuarially reduced, and since Social Security payments are based on past earnings (and not available until age 62 in most cases), the opportunity to travel extensively, wine and dine in fine restaurants, or engage in hobbies requiring even a modest cash outlay can be extremely limited. One proposal to correct this inadequacy was for business to provide nonactuarially reduced pensions and perhaps add "sweeteners" to offset the years before Social Security payments begin. And, in fact, this was done in many instances.

It was believed that the opportunity to retire early would be most acceptable to those in the hazardous occupations and to those people who work only to earn a living. But here again, the price of early retirement was high. For example, Figure 1 shows the shrinkage effect of a worker's pension when retiring

Despite the controversy over retirement practices, there is total agreement that both economic and societal factors must be appraised.

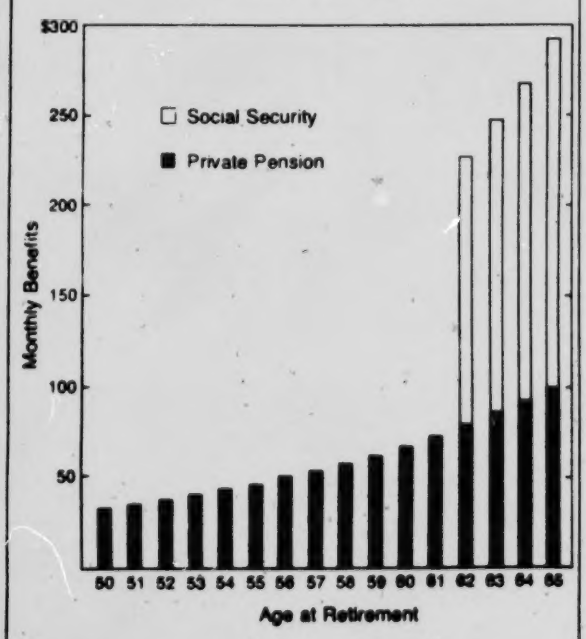
early a decade ago[2] and indicates the scope of the problem for early retirement advocates. How could you "sell" early retirement on such weak income levels? The answer for the union was to forego customary "improvement factors" for the working person and to fight instead for improved retirement benefits. Managements, sociologists and scholars also began to talk of "second" careers. Early retirement was to be viewed as an opportunity to "do something" entirely different and even more personally rewarding than was the case in the primary or first career. The dichotomy of "forcing" workers from the labor market to make room for the young—and then encouraging these same workers to engage in a second career through reentry into the labor force—did not go unnoticed, but it was not a serious deterrent to the increasing interest in early retirement. In fact, probably the most successful deterrent to early retirement has been inflation. The constant erosion of real income caused by yearly inflation rates averaging 6 to 9% has made "voluntary fixed income" living considerably less attractive in the past five years. If inflation continues at current rates, retirement at any age might be out of the question for most of us.

About the Author:

Thomas S. Utras *is manager personnel and research services with U.S. Steel Research in Monroeville, Pennsylvania. He also held a variety of industrial relations and personnel positions at several of the firm's plants before coming to the research laboratory. Mr. Utras received his B.S. in sociology from the University of Wisconsin and is a candidate for an M.A. in industrial relations at St. Francis College.*

Figure 1

HOW QUITTING EARLY CAN SHRINK A WORKER'S PENSION



Source: Charles E. Silberman, *The Myth of Automation* (New York: Harper & Row, 1966), p. 82ff.

Age-Discrimination Legislation

The trend to early retirement was slowed only slightly with the passage of the Age Discrimination in Employment Act of 1967. The intent of the Act is to protect workers in the age category of 40 to 65 from indiscriminate and/or malicious employment practices,

including termination based solely on age. The Statement of Findings and Purpose of the Act includes the following (italics are the author's):

Sec. 2.(a) The Congress hereby finds and declares that—

(1) in the face of rising productivity and affluence, older workers find themselves *disadvantaged in their efforts to retain employment, and especially to regain employment* when displaced from jobs;

(2) *the setting of arbitrary age limits* regardless of potential for job performance *has become a common practice*, and certain otherwise desirable practices may work to the disadvantage of older persons;

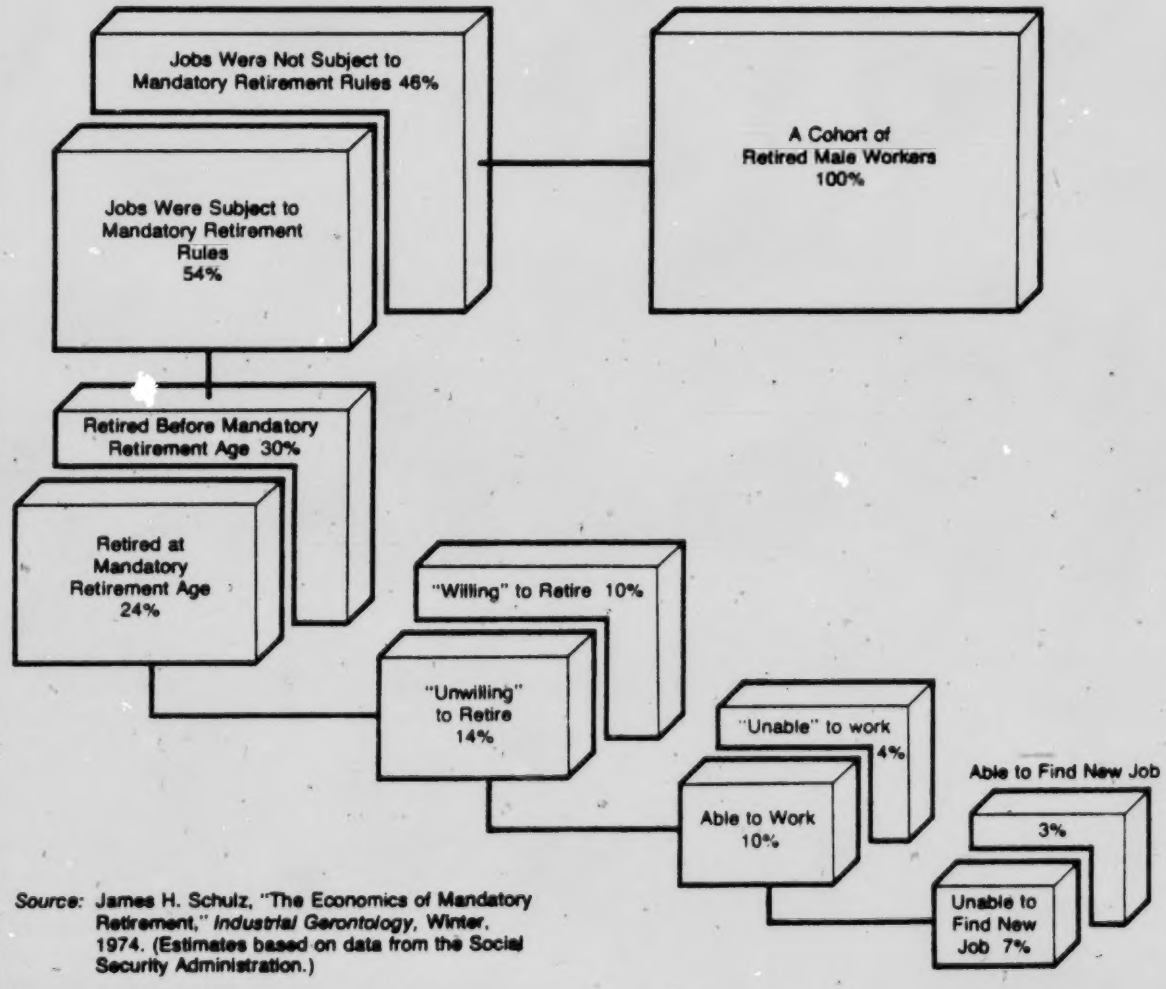
(3) the incidence of unemployment, especially *long-term unemployment* with resultant deterioration of skill, morale, and employer acceptability, *is, relative to the younger ages, high among older workers;* their numbers are great and growing; and their employment problems grave; . . .

Sec. 2.(b) It is therefore the purpose of this Act to promote employment of older persons based on their ability rather than age; *to prohibit arbitrary age discrimination* in employment; . . .[3]

Note that the mandate was to stop involuntary early retirement. It was not an attempt to stop—or even slow—early retirement for economic reasons, but for societal and humanistic purposes. To discriminate

Figure 2

INCIDENCE OF MANDATORY RETIREMENT, 1968


Jobs Were Not Subject to Mandatory Retirement Rules 46%
Jobs Were Subject to Mandatory Retirement Rules 54%
A Cohort of Retired Male Workers 100%
Retired Before Mandatory Retirement Age 30%
Retired at Mandatory Retirement Age 24%
"Willing" to Retire 10%
"Unwilling" to Retire 14%
"Unable" to work 4%
Able to Work 10%
Able to Find New Job 3%
Unable to Find New Job 7%

Source: James H. Schulz, "The Economics of Mandatory Retirement," *Industrial Gerontology*, Winter, 1974. (Estimates based on data from the Social Security Administration.)

against the old was to be ranked with discrimination because of race, sex, national origin or religion. It was made illegal. But making age discrimination illegal only "solved" the problem of excesses; it did not solve or even broach the topics of unemployment, spiralling pension costs (both private and public) or obsolescence.

Making age discrimination illegal did not solve the issues of unemployment, spiralling pension costs or obsolescence.

According to a 1974 article by James H. Schultz in *Industrial Gerontology*, the elimination of pre-65 mandatory retirement rules affected only a relatively small proportion of retirees.[4] In the second half of 1968, only 7% of those male workers who retired involuntarily because of compulsory retirement rules were willing and able to work but had not found employment. These data, shown in Figure 2, tend to support the belief that the issue was not economy, but essentially civil rights.[5] More recent estimates support these data and tend to imply little change in these factors even today. There is a very real thought in millions of workers' minds that they not only have a right to retire early, but a right to receive adequate compensation during their "twilight years."

Who Pays—Or Should?

Although the belief that the individual should provide the major portion of the needed retirement funds is no longer prevalent, the preferred source is not the government but employers and unions. This trend, as shown in Table 1, is illustrated by the results of several surveys conducted by the American Council of Life Insurance.[6]

Table 1
PREFERRED SOURCE OF RETIREMENT INCOME, 1969-75

Source	1969	1971	1973	1975
Individual	50%	42%	39%	39%
Employer or Union	28	34	38	35
Government	23	22	22	24
Don't know, no answer	2	3	2	2

Source: American Council of Life Insurance survey.

Because of this shift, it might have been expected that there would be a general reluctance to raise taxes for retirement support. Not so. The Council conducted two surveys, one in 1973 and the other in 1976, and found respondents twice as likely to agree as to disagree with the statement, "It is important to keep increasing social security benefits, even if it means higher taxes." (See Table 2.)[7]

While these findings could lead one to assume continued public support of the retired (and retiring) population, it should be emphasized that the statement did not propose a specific tax increase amount or limit. If the tax increase required was significant, the response might well be different (as it has been with the 1978 increase in Social Security deductions). The point is that through 1976 and well into 1977, the concept of "planned" early retirement had come to be considered a normal, reasonable and, in many instances, desirable stage in a person's life. Early retirement could then be followed by a second career, including jobs with such nonpaying government-sponsored organizations as VISTA, or a life of leisure, travel, "vegetating" or whatever.

Table 2
AGREEMENT WITH SOCIAL SECURITY BENEFIT INCREASE, 1973 and 1976

	1973	1976
Agree	46%	50%
Not Sure	32	31
Disagree	21	18

Source: American Council of Life Insurance survey.

To help the individual prepare for this new life, some companies developed preretirement programs or brought in outside firms to make the transition easier and less traumatic than in the past. It was considered a service or fringe benefit obtained only by the "over 50" crowd, those lucky enough to be near that "golden opportunity to leave early."

Some companies provided a little impetus to the attractiveness of early retirement by giving a substantial payment in advance of Social Security payment, as well as a nonactuarially reduced pension. This enabled them to effect significant work-force reductions through voluntary retirement, thereby eliminating or at least minimizing potential age-discrimination charges. It also reduced the need for any difficult, and always suspect, "just cause" termination decisions involving older workers.

Suddenly in late 1977 and early 1978, a tremendous reversal of the public's perception of early retirement occurred. Social Security was in serious trouble—some even forecast its bankruptcy—and the need or desirability for retirement, even at age 65, was being seriously questioned. Why not work to 67, or 68, or even 70? Should not those who retire early pay some penalty? Why fund Social Security? Why not put Social Security in the general fund and make the payments from current revenue? Congress, the press, business associations, union meetings and college classrooms provided a forum for debating these questions

during much of the fall of 1977 and the first quarter of 1978.

Then two significant events occurred. One involved a sizable increase in Social Security taxes, with the promise of even greater deductions as the tax base increased. Table 3 illustrates how the tax has grown since 1937 and where it is scheduled to be by the year 1987. In fifty years, the maximum tax paid by the worker and his or her employer will have risen from 1937's $30.00 each to $3,045.90 each in 1987.[8]

Table 3
SOCIAL SECURITY TAXES
1937-1987

	Yearly Wage Subject to Tax	Maximum Tax on a Worker and Employer (each pays this amount)
1937-49	$3,000	$30.00
1950	$3,000	$45.00
1951-53	$3,600	$54.00
1954	$3,600	$72.00
1955-56	$4,200	$84.00
1957-58	$4,200	$94.50
1959	$4,800	$120.00
1960-61	$4,800	$144.00
1962	$4,800	$150.00
1963-65	$4,800	$174.00
1966	$6,600	$277.20
1967	$6,600	$290.40
1968	$7,800	$343.20
1969-70	$7,800	$374.40
1971	$7,800	$405.60
1972	$9,000	$468.00
1973	$10,800	$631.80
1974	$13,200	$772.20
1975	$14,100	$824.85
1976	$15,300	$895.05
1977	$16,500	$965.25
1978	$17,700	$1,070.85
1979	$22,900	$1,403.77
1980	$25,900	$1,587.67
1981	$29,700	$1,975.05
1982	$31,800	$2,130.60
1983	$33,900	$2,271.30
1984	$36,000	$2,412.00
1985	$38,100	$2,686.05
1986	$40,200	$2,874.30
1987	$42,600	$3,045.90

Source: Research Institute of America, 1977.

The second significant event was the passage of legislation by Congress that raised the mandatory retirement age from 65 to 70.

What happened to cause such a dramatic shift from extolling the virtues of early retirement and second careers to the almost frenzied cry of "Stop mandatory retirement"? As stated earlier, the battle against mandatory retirement has been mostly a civil rights issue. Age discrimination, as a cause, has its roots firmly in the camp of gerontologists, sociologists, humanists and equal rights activists. Economists, for the most part, were not decrying the high cost of retiring. Most businesses were happy to have a legitimate opportunity to "turn over" some slow-moving human inventory, while most American workers felt, "No worry. When the time comes, I'll get mine."

The possibility of Social Security's bankruptcy and rising taxes, coupled with rising inflation, caused a reexamination of retirement policies from an economic perspective.

Suddenly, the shock of Social Security's potential bankruptcy with a resultant loss of benefits ("What do you mean, I won't get mine?") and rising taxes coupled with spiraling inflation caused a reexamination of retirement policies, not from a societal viewpoint, but from an economic perspective. Retirement, even at age 65, came under attack. After all, it was said, "Age 65 was just some German's idea of a way to rid Bismarck of a lot of old generals." Americans adopted it because of the depression and a 25% plus unemployment rate. And don't forget, workers weren't expected to live more than a year or two after they left the job.[9]

Demographic Considerations

Today, more Americans are reaching the "elderly" stages of life, and indications are that an even greater number will continue to do so. In 1970, about 20 million Americans, or almost 10% of the population, were 65 years of age or older, while by 1980, this figure is expected to be nearly 25 million. It is projected that the 65-and-over group will comprise 31 million persons, or 12% of the total population, by the year 2000. Assuming there will be no significant changes in fertility or mortality patterns, this figure will grow to 17%, or nearly 52 million persons by the year 2030.[10] Table 4 depicts this anticipated increase in the elderly population between the years 1975 and 2050.[11]

The economic consequences of a greatly increased elderly population on the Social Security sys-

Table 4
ELDERLY POPULATION (65+), 1975-2050

Year	Total Population	Elderly	Percent of Total
1975	213,450,000	22,330,000	10
1980	222,769,000	24,523,000	11
1990	245,075,000	28,933,000	12
2000	262,494,000	30,600,000	12
2010	278,754,000	33,239,000	12
2020	294,046,000	42,791,000	15
2030	304,328,000	51,590,000	17
2040	312,035,000	50,266,000	16
2050	318,396,000	51,247,000	16

tem are easier to visualize and understand when seen in the light of these projections. Professor William Haiao of Harvard University predicted that if modifications to the system were not forthcoming, the Social Security tax rate would increase to 18% on both employee and employer as early as 2020.[12] Aggravated by early retirement, the impact on an unchanged system would have been even more severe.

The issue then becomes, can a growing retired population be adequately supported? To do so requires:

1) **Sufficient continued expansion and improvement in the standard of living of the working population to prevent an increase in the existing burden from growing numbers of retired elderly, or**
2) **A willingness by the working population to accept either a lower standard of living, or a less rapid increase in the standard of living.**

Under existing retirement-age policies, an increase in the number of aged means an increase in the number of retired persons, who as nonproducers must then be supported by the workers.[13] This statement might lead one to reconsider the desirability of maintaining present retirement trends.

Had the widespread pre-1978 push for an earlier retirement age been successful, then a significant change in the dependency ratio, that is, the number of nonworkers per worker (or vice versa), would have occurred. For example, in 1975, if all persons had retired at 62 instead of 65, the number of retirees would have increased 24%. With a retirement age lowered to 55, the increase would have been 88%, or almost twice as many persons retired as compared to the number under an age-65 policy. As can be seen in Figure 3, this same result could occur in 2010 and 2015 given the same circumstances.[14] As the number of nonworkers increases, the dependency ratio between workers and nonworkers increases. This question of how many nonworkers a worker can support is one that must be faced eventually.

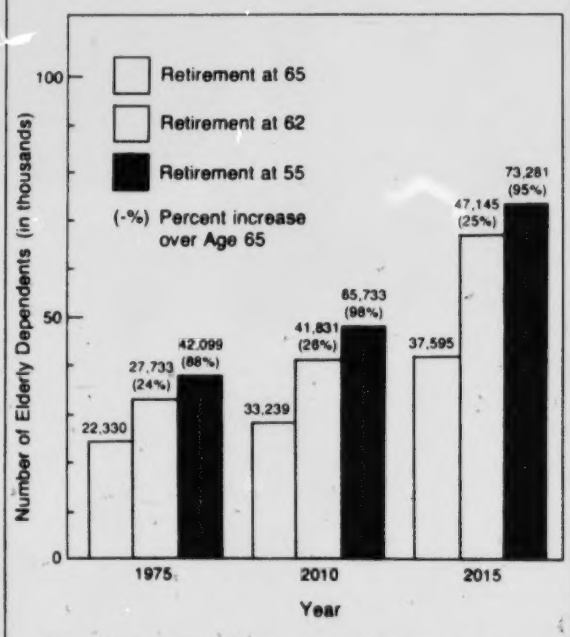
One "natural" cause for the changing dependency ratio is that people are living longer. If average age, or longevity, had remained constant compared to that of the 1800s, there would be no aging problems, no dependency ratio concerns and no serious discussions about early retirement. However, the fact is that the life span has not remained constant, and there is every reason to believe that it will continue to expand. There are scientists who believe that "man's natural life span is 170 years and claim such longevity is possible for those now under 25."[15] The question is, can the economy bear the strain of maintaining a retired worker for 25 years or longer, with a Social Security system already visibly stretched and with private pension plans requiring annual funding in excess of profits?

Pension Folly?

Consider the problem of the military. There is little opposition to the belief that it is the young and physically active people who are needed for the military services. Active duty is not considered a "middle-aged" person's game. However, does this philosophy include supporting a military force with an average retirement age of 42 for enlisted persons and 46 for officers? (Currently, enlisted personnel are retiring—on the average—after 22 years, with the average for officers being 25 years.) The cost of military pensions has now reached 25% of the total Pentagon payroll. If the present trend continues, then it won't be long before more money is paid to retirees than to those on active duty.[16]

One longstanding argument in support of the military's early retirement plan was the unattractiveness of its pay package as compared to civilian occupations. However, this is no longer true. With the inducements offered to attract people to enter the volunteer army and then remain, a military career has become competitive with civilian careers.

Figure 3
PERCENT INCREASE IN ELDERLY DEPENDENTS FOR LOWER RETIREMENT AGE



Source: Based on data from the U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 601, "Projections of the Population of the United States: 1975-2050" (Series II Projections).

A similar problem exists in New York City, where one is hard-put to argue against granting early retirement for firefighters or police officers. Hazardous occupations are seldom filled with older workers. But it isn't just the hazardous jobs that are provided with 20

and 30-year pension eligibility. Through collective bargaining, these same provisions have been passed on to civil service workers, janitors, garbage collectors, maintenance employees and so on. The multiplying effect of this "easy" living becomes staggering. In New York City over the past five years, the cost to taxpayers for public employee retirement has doubled. The current liability for the city's five pension plans is now estimated at about $6 billion. No wonder New York has financial problems.[17]

New York City and the military are not alone in facing these tremendous increases in pension liability. There are 44 cities in Pennsylvania alone that have more than $1 billion in unfunded pension liabilities. Fewer than one-quarter of these plans are adequately funded. In other words, there is not enough money in the fund to pay all the provided benefits.[18] Even more distressing, the pension benefits in these same cities are being constantly increased, despite serious question of their ability to pay.

The annual funding requirements of many company pension plans far exceed the company profits.

Much of private industry is not much better off. As stated previously, the annual funding requirements of many company pension plans far exceed the company profits. For example, L. W. Foy, chairman of Bethlehem Steel Corporation, stated in the May 22, 1978 issue of *Iron Age* Magazine that $483 million of a pretax loss for 1977 of $750 million represented "the estimate of the present value of pension costs and the costs of other benefits payable to terminated and laid-off employees." Of course, companies can't raise taxes to pay the "costs of retiring," but the costs are passed on to the consumer as a part of the product price.

A further compounding of retirement-cost blues occurs when a person couples early civil or military service retirement at, say, age 45, with a second career to normal retirement at 62 or 65. Now two government pensions are being paid from tax dollars—one from civil service or military duty and the other from social security. To carry this a step further, there have been many instances of two government pensions, one military after 20 years and a second with Civil Service, followed by Social Security at age 62. Three pension payments at public expense. While certainly legal and not immoral, this "doubling or tripling up" of benefits creates additional strain on already overextended funds.

Fixed Retirement—Pros and Cons

Much of the current reflection on the pros and cons of mandatory and/or early retirement policies stems from an increasing awareness of the magnitude of the problem as it relates to the question of ability to pay. There are many good, sound arguments presented by both sides of the mandatory-retirement question. An excellent summary of the pros and cons of mandatory retirement (including both financial and nonfinancial aspects) is contained in Shirley A. Rhine's *Older Workers and Retirement*. First, she states:

- **A program with a fixed retirement age has the advantage of simplicity—it is easy to administer. Determining the age of retirement on an individual basis is considerably more difficult and is open to much controversy. Having a fixed retirement age permits employees to plan ahead.**
- **Older workers, on the average, are less productive than younger ones. Compulsory retirement is a humane way of moving out unproductive workers.**
- **The combination of pensions and social security coverage provides income for the retired worker whose departure makes room for the advancement of a younger worker. This argument is especially popular in times of labor surplus, such as in the 1974-1975 recession.**

Some of the main arguments by those who oppose mandatory retirement are:

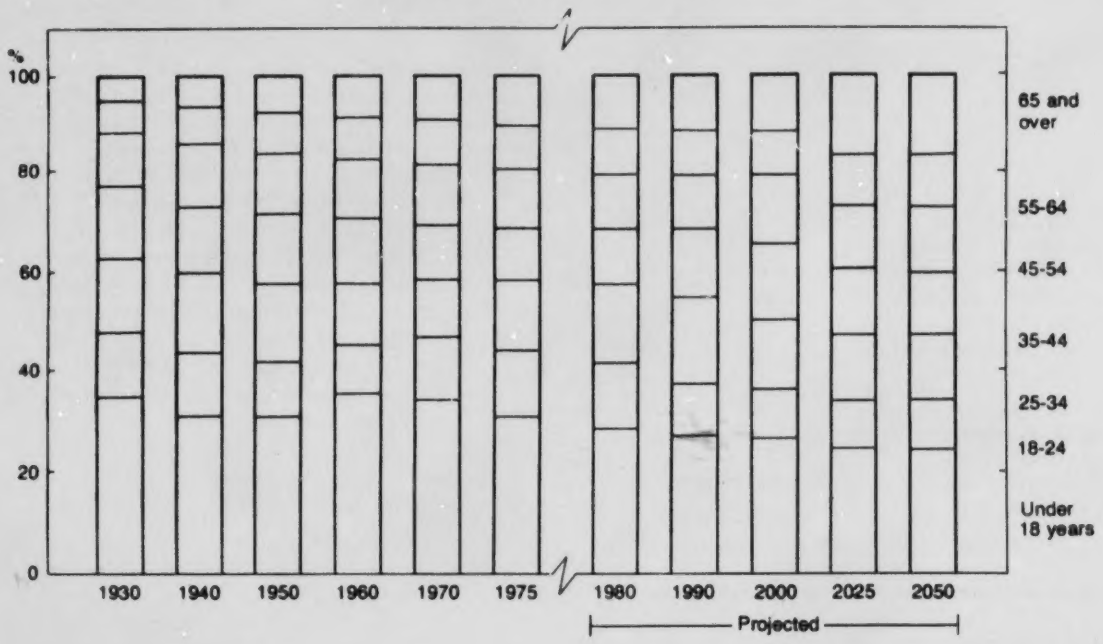
- **An individual's mental and physical ability cannot be judged by chronological age. Experience demonstrates that many workers over 65 years of age perform better than younger ones. If a person is obliged to retire at a specific age but is still competent physically and mentally to perform the job and wants to work, that person may be deprived of his or her constitutional rights.**
- **The withdrawal from the labor market of capable people wishing to work reduces the nation's gross national product.**
- **The larger the number of retirees, the greater is the burden on the working members of society in terms of greater social security and welfare costs.**
- **Abrupt shift from full-time work to complete retirement can be jarring to some individuals, and even deleterious to their mental and physical health.[19]**

It may be true that elimination of a mandatory retirement age will have little impact on the soaring costs of pensions and Social Security. The recent revisions in Social Security legislation, which liberalized retirement earnings, and the extension of the mandatory retirement age to 70 will all provide an opportunity to observe whether the exodus of older workers from the labor force will be slowed.

The increasing burden of an expanding elderly population can be reduced by reversing the declining percentage of elderly in the work force. This dichotomy of older people's simultaneously becoming a growing fraction in our nation's population and a declining fraction of the work force, is shown in Figure 4.[20]

Figure 4

AGE DISTRIBUTION OF TOTAL POPULATION: PAST, PRESENT AND PROJECTED



Source: Bureau of the Census, *Current Population Reports*. Series P-25, Nos. 311, 601 and 614.

By extending the age-65 mandatory retirement, it was believed that greater participation of the elderly in the work force could be achieved. This approach has the support not only of economists, but of social scientists as well. Writing in the January 1978 *Technology Review*, Kenneth E. Boulding states, "Mandatory retirement at a fixed age cannot be sustained indefinitely now that the ethic of anti-discrimination is so strong. Age-ism (like racism and sexism) is paradoxially a failure to use discretion."[21] It sometimes appears that the late Margaret Mead and Rep. Claude Pepper of Florida are the "graven idols" of gerontology. But not everyone is a Margaret Mead or a Claude Pepper. Some people *want* to reire early. To prevent early retirement may be just as discriminatory as to force it.

Future Alternatives

The battle over retirement policies and practices has just begun. As mentioned previously, the extension of mandatory retirement from age 65 to age 70 does permit an opportunity to observe the effect of permissible later retirement. But it does not solve the problem. Even if mandatory retirement rules are removed entirely, unless people (in large numbers) decide they want to work to, or near, the day of the funeral, we can expect little change in current practices and consequent rates of retirement.

Interviews with several personnel administrators tend to support this assumption. There is little concern that their employees will demand to work beyond age 65. In every instance, they point to recent statistical tabulations of their own data, which show the average employee retiring well below 65. This may be true for the statistical image, but the data are historical. As yet, they have made no attempt to project what might happen with nonmandatory retirement age rules. Even more disconcerting is the lack of attention given to the economic aspects of continuing early retirement practices. Dependency ratio, labor force participation and similar demographic factors do not appear in the vocabulary of many businesspeople, including personnel directors. The prevalent viewpoint is still negative toward later age retirement, with continued strong support for early retirement programs.

If society finally believes or comes to believe in nondiscrimination toward the aged, there is and will be little justification for continuing mandatory retirement policies. It may be this is a battle that civil rights supporters and activists will win. If so, then the rest of society may well owe them an economic prayer of thanksgiving, for certainly the effects of increased participation by older workers will favorably affect dependency ratios and reduce the overall burden of support for the elderly.

The strong probability of increased advocacy for

nonmandatory retirement by an even larger segment of the population is evident from the outcry following the latest increase in Social Security taxes. People beset by inflation and a shrinking dollar are not looking kindly on increased financial burdens. Less than six months after the new rates went into effect, major support started developing for new legislation which would reduce the tax and find other means of providing the necessary funds to Social Security.

Completely nonmandatory retirement will continue to face considerable opposition. Humanism aside, in most businesses and industry, the average person does not maintain high levels of productivity in later life. Sheer physical effort becomes a problem for most, to say nothing of the question (albeit suspect) of obsolescence. This does not imply "scrap heap" mentality. It does point toward the need for viable indicators of the "need" to retire.

Several hypothetical alternatives can be formulated which may serve both the economic and societal positions on retirement. For example, people desiring early retirement might face even greater actuarial reductions than at present, or be penalized a flat percentage for each age category below, say, 70, at which they retired. If, instead of adding make-up payments as is done today, pension plans were to provide "bonuses" for deferred payments until some later age, workers might still retire to start a second career or "do something different," but elect to forego immediate pension benefits (including Social Security) to receive a greater payoff at a later date. This type of "inflation hedge" pension might have wide appeal, particularly for those who can retire on the 20 and 30-year programs so prevalent in civil service and military occupations.

Another alternative might be to revise current policies concerning the 20 to 30-year pension programs of public employers. For instance, the provisions of 20 and 30-year retirements might be maintained, but any pension payments might be deferred until age 55, or even 60. Or a change might be considered that permits 20 and 30-year retirement, but not without substantial penalty if it occurs before age 55.

Reversing the field, consider the endless possibilities of rewarding workers for continuing to work beyond preselected age determinants. For example, the feasibility of a 2% per year increase in gross benefits for every year worked after age 62 might be evaluated, or a 10% add-on for 20-year pensions deferred to age 60, with a 15% bonus for deferment to age 65. As another possibility that might be considered, workers who can no longer effectively perform the full scope of their jobs might be "half-retired" or teamed with other similar employees and still be permitted to accumulate pension credits even though partially retired. Alternatives of this type are being considered in several European countries, as reported recently by Teriet.[22]

One present deterrent to working after retirement is the earnings limitation imposed by Social Security. If the earnings limit was increased to equal, but not exceed, the amount of payment, more older persons might be disposed to work, thereby supplementing their income while improving their positions as consumers. If these earnings were also taxed for Social Security purposes, the contributions would become even greater. Another approach to the earnings problem might be to permit workers who continue full employment after a specified age, say, 62, to be awarded a reduced Social Security tax (or even no tax) on their earnings, but still receive the appropriate credits to their account for retirement purposes.

It should be reemphasized that these examples are simply formulations of hypothetical alternatives. Each has its own set of pros and cons. The point is that there are alternative ways of approaching the retirement problem.

While the variations and alternatives of retirement practices may appear endless, there seems to be little doubt that economic factors must be considered when making societal decisions about retirement. When the economy is strong and there is little unemployment, the resistance to hiring or keeping older workers is in little evidence. However, when the economy slows and unemployment increases, the cry for early and mandatory retirement is strong and constant. With the changing character of our population, this push-pull approach is not an affordable luxury.

There is still time to develop rational, logical, and objective policies toward retirement. Consideration of the multiplicity of factors must be built into the deliberations. A vendetta to correct alleged abuse, misuse or overuse of retirement practices should not be the overriding purpose of legislative or governmental activity, as has been the case in some environmental policy decisions.

America is graying—but graying is not automatically unpleasant. There is no need for panic or recrimination. The need is for rational deliberation to effect sound decisions reflected in viable and objective programs and policies. ■

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15 Ibid.
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CASE STUDY QUESTIONS AND REPORTS

During the conference, participants were assigned to a number of small case study groups and were asked to consider a variety of issues related to the case history of a chemical plant in the Northeast whose work force is progressively aging and is likely to retire soon in large numbers. Participants were asked to enumerate the probable demands and concessions of both management and labor and to identify practical solutions, if possible.

What follows are the case study data sheets and questions and briefly outlined group reports which were offered in the final plenary session of the conference.

The case study exercise was developed and conducted by Philip M. Stefanini and Kathleen F. Morris of Rohm and Haas.

INTRODUCTION

The following "case studies" are based on the problems and issues facing a medium sized chemical plant located outside a major northeast city. The plant is sixty years old and employs about 1,400 people. Its manufacturing processes vary - most areas are highly automated and technical although some areas are labor intensive. Several hundred products are produced serving primarily as intermediates for other manufacturers.

BACKGROUND DATA

Hourly workforce of Production, Mechanical and General Services employees is distributed as follows:

Age	Number	Percentage of Workforce
15-19	1	.1
20-24	5	.7
25-29	11	1.4
30-34	28	3.7
35-39	48	6.3
40-44	72	9.5
45-49	129	16.8
50-54	172	22.6
55-59	194	25.5
60-64	102	13.4
	762	100.0

In addition, there are some 200 support jobs including laboratory, clerical, guard and accounting positions.

Pertinent contract provisions and procedures:

- Promotions and transfers are in accordance with strict seniority rules within departments and promotional ladders (one each for Production, Mechanical and Stores).
- Overtime assignment rules are strict and made by foreman polling those on the overtime lists. Overtime equalization on an annual basis is the objective.
- Temporary assignments, vacation replacements and disability absences are currently filled by overtime or seniority rules.
- Pay rates and applicable premium payments are based on the job rate.
- Shift workers receive a paid lunch period. Day workers do not.

- The contract provides holiday premiums and shift premiums.

- Rate protection exists for employees who move to lower rated jobs through no fault of their own.

- Craft lines are followed in the Mechanical jobs. Very little production/maintenance, cross-crafting or general maintenance work is permitted.

- Outside contract work is permitted to the extent that such work cannot be performed by company employees.

- Apprenticeship programs exist although currently are not used due to the stagnant workforce situation.

- Generally, a three-rate structure applies in Production and Service departments and a two-rate structure in Maintenance departments.

- Benefits are generally based on pay (life insurance, sickness and accident, pensions, savings plan participation) with the exception of health care benefits. They are non-contributory and they meet the minimum compliance requirements of ADEA.

- Labor relations climate is well established (plant organized after World War II) and has been one of harmonious working relationships.

CASE #1

Labor and Management: You want to accommodate the needs of your older workforce or are concerned about the impact on plant operations of losing large numbers of your older employees.

Facts:

- There are not sufficient numbers of skilled replacements for the turnover you are/will be experiencing.
- You will not shut down the plant to relocate in a more populous or desirable location.
- The employees approaching retirement have expressed a desire to continue working on a reduced schedule.

Questions:

1. List the union demands and concessions that you would be willing to consider.
2. List the management demands and concessions that you would be willing to consider.
3. How do you mesh the needs of both older and younger employees? Where are they in conflict?

CASE #2

Labor and Management: You've resolved your differences and have agreed to exploring ways to implement Permanent Part-Time Employment or Job Sharing to retain your older workforce.

Facts:

- The plant operates on a seven-day, four-shift schedule. Some day positions and fixed shift jobs exist.
- No job elimination can take place (the total number of man hours/year should remain the same).
- Your costs cannot be any more than your current spendings to do business, and you are willing to spend the same amount for equal productivity.

Questions:

1. What process would you follow in exploring, explaining and implementing this approach?
2. What kind of jobs would you create? What work schedules or assignments are most amenable to these concepts?
3. What tasks can you identify in Production, Maintenance and Services areas that need doing but not in conjunction with the production process?

CASE #3

Labor and Management: You're acutely aware that in resolving the employment issues of older workers, you will be presented with a new set of problems.

Examples:

- Supervisors may have twice as many people to oversee as a consequence of job-sharing.
- Younger workers may be attracted to the idea of a reduced/flexible work week and want "a piece of the action".
- Older worker retention may create promotional blockage for younger employees.

Questions:

1. What are the "fall-out" problems or challenges that you foresee?
2. How would you propose to deal with them?
3. What is the government's role in aiding labor and management to solve these problems.

CASE STUDY REPORTS

Case Number One

Group A

1. The objective is to keep the 900 workers presently on the payroll interested in continuing their career.

2. Assumptions:

   a. A defined benefit plan, employer funded, based on years of service, with no integration on Social Security benefits

   b. Local negotiations with a single-employer retirement plan, not a national union

   c. Greater seniority for older workers

   d. Normal retirement at age 65; retirement accrual stopping thereafter

3. Management and union puts together a strategy.

4. An option is provided for full or reduced schedules after age 65. Management would have preferred age 65. Labor wanted the early option as a quid pro quo.

5. Both parties decide not to allow already retired workers back because it would complicate the picture.

6. Provisions are made for added pension credits for those working past 65, either on a full or reduced rate basis.

7. A sabbatical leave at age 65 or later is allowed so that a person can test retirement and return without loss of seniority, pension credits, etc.

8. Provision is made to lessen the work restrictions in the current contract, so that people can be moved between crafts, to different levels, etc. This will require a greater degree of training and retraining.

Group B

1. Both labor and management concur on the option of contracting the about-to-retire and the already-retired at the going rate with no additional benefits.

2. They concur also on the establishment of apprenticeship training programs across trade lines to train middle-aged and younger workers for jobs being vacated by younger workers.

3. It is felt there would be little conflict about jobs being blocked for younger

Case One, Group B (continued)

workers; adequate numbers of jobs will be vacated.

4. Another alternative is to retain those who want to remain full-time after age 65, accruing benefits at full status.

Group C

1. If the plant in question is in a northeastern city with an aging work force, and dropping productivity, management might hint to labor about possibilities of moving.

2. Since labor is interested in remaining at the work site, an opportunity for bargaining exists. Management commits itself in writing not to shut the plant down; labor agrees to relax the work group.

3. Labor will insist that if there are to be work schedule changes, merging of jobs, etc., there will have to be rate retention; for those workers who have to move down, the regular rate will apply. All benefit levels will have to remain the same. Pension benefits will continue to accrue after age 65 at full rate, as long as the employee remains on the payroll.

4. Labor might also ask for representation on the Board of Directors.

5. A management-labor committee will be instituted to work out details related to scheduling and part-time work options.

6. Management will want to initiate a very strong equipment program, along with the retirement program.

7. In collaboration with the union, management will make an effort to determine the extent of the replacement program and the emphasis that will have to be placed on recruitment.

Case Number Two

Group D

1. There is certainly a mutual interest on the part of the union and the plant management to work out a program that will make productivity and the competitive posture of this plant as strong as possible. A labor-management task force should be established to look for solutions.

2. Use should be made of the pre-retirement sessions to listen to perspective retirees about what sorts of things would cause employees to retire, what sorts of work arrangements might attract them to remain.

Case Two, Group D (continued)

3. In terms of work schedules which might be developed to allow for partial or flexible retirement options, the following possibilities will be explored:

   a. Two part-time shifts to replace one;

   b. A work-sharing situation in which a senior worker and an apprentice operate adjacent stills or chemical vessels, so that the senior person can oversee the work of the apprentice;

   c. A permanent roster of retired employees to be called in temporarily to fill gaps;

   d. For those who plan to retire because of hazardous work, reassignment to less demanding jobs.

4. The kinds of jobs in Production, Maintenance and Service which can be done independently of the production process: warehousing, shipping, inventory control, quality control of ingoing and outgoing materials, apprenticeship trainers, security, and day care services for the children of female employees.

Group E

1. A joint labor-management group is established to review the implementation of changes, with no binding requirements on either party.

2. A poll is conducted to survey how many workers would be interested in permanent part-time employment or job sharing.

3. After the data is analyzed, the following recommendations are made:

   a. No part-time worker should be laid off prior to full-timers. A part-time employee with seniority can bump a full-timer, but will have to come back to work full-time.

   b. All employees will remain part of the bargaining unit.

   c. The company will be the sole determinant of the work load schedules and the manpower loading. Manpower needs will be supplemented with part-timers as follows:

      - Consistent with company needs, part-timers will be given the schedules they want.

      - Part-timers will be advised as to what is available.

      - There will be no guarantee as to the number of hours to be worked.

4. There are three unresolved problems:

   a. Adjustments for benefits;

Case Two, Group E (continued)

b. The issue of overtime for full-time workers versus the use of part-time workers: which goes first, overtime for full-timers or reduction of part-time workers?

c. The union demand for a guaranteed amount of work for part-timers.

5. Regarding the types of jobs that people might do: expeditors, trainers, planners, budgeters, schedulers, people who plan layout work and special projects, safety committees, material handlers.

Case Number Three

1. A survey is made of workers age 60 - 64 to find out how many would voluntarily want to work part-time.

2. Those who volunteer to reduce work will not suffer in terms of pension accrual at all. A worker who works 20 hours or more will have full medical coverage.

3. Those working part-time will make a part-time salary.

4. In terms of seniority, if part-time jobs become available, full-timers will be moved up, so that they will spend half their time at their regular job and half time in the higher level part-time job. The pay rates will be increased accordingly. Benefits will be unaffected. This system could be an incentive, in terms of productivity.

5. To backfill the lowest level jobs, as workers move up, without incurring increas costs, CETA money will be tapped.

ANNOTATED BIBLIOGRAPHY OF READINGS

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Annotated Bibliography of Readings

Industry Conference on Employment and Retirement

May 18 - 20, 1980

General

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Monograph designed to provide information and data sources on middle-aged and older persons to agencies or individuals concerned with matters of employment. Suggests ways of analyzing and using this information. Emphasis is placed on detecting "signals" indicating policy needs. Suggestions are made for informal surveys, where official data is not available.

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Defines and characterizes older worker in the labor force. Describes unemployment problems; inadequacy of federal employment program in regard to the older worker; de facto employment policies and strategies for second careers, counseling and training the older worker.

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Authors submit that merely raising or eliminating the mandatory retirement age will not be enough to encourage those who can continue in the labor force. Economically, it is important that there be incentives to do this. They recommend abolishing the Social Security retirement test and permitting other tax incentives such as raising the contribution limits on IRA's and Keogh accounts.

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5. Fullerton, Howard, N., Jr., and Flaim, Paul O., "New Labor Force Projections to 1990," Monthly Labor Review, Department of Labor, Bureau of Labor Statistics, December, 1976, 3-12.

Discussion of projected labor force participation rates over the fifteen-year period, 1975-1990, by age and sex, with reasons for variations and implications for the future.

(Continued)

General

6. Harris, Louis and Associates. 1979 Study of American Attitudes Toward Pensions and Retirement, for Johnson and Higgins, 1979.

First section deals with summary of findings of study. Some major findings are: 1) Inflation is the number one problem facing retirees and providers of retirement income; 2) Raising mandatory retirement age is seen as positive by both employers and employees; 3) 51% of the sample report that they would prefer to continue to work after normal retirement age; 4) Having a private pension plan is a high priority among employees; 5) Pre-retirement planning is critical to a secure retirement. The second section is a commentary by Johnson and Higgins on issues of adequate retirement income, national policy toward retirement age, the defining and determining of retirement income, and the funding of retirement benefits.

7. Herzog, Barbara Rieman, ed. Aging and Income: Programs and Prospects for the Elderly, New York, Human Sciences Press, 1978.

Good resource. A compilation of articles on issues of work and retirement.

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9. Jolly, James, Creigh, Stephen, and Mingey, Alan. "Age as an Influence in Employment Decisions," Personnel Management, April, 1979, 29-32.

Studies undertaken in Britain to assess how effective age limits were in excluding or including various age groups in employment. Overall conclusion is that age qualifications in employment, while having a high discrimination profile, has an indeterminate discriminatory effect. This is both a help and a hindrance to older persons.

11. Lawson, Frederick H., "Private Enterprise and the Older Worker: What are the Issues?" Aging and Work, Winter, 1979, 7-11.

Vice President of Human Resources and Industrial Relations at Kaiser Aluminum attempts to dispel many of the myths employers have about older workers in the workforce.

12. Morehouse, Ward, III. "Senior Workers: Demand Grows," The Christian Science Monitor, November 9, 1978, 13:1.

Growing trend of older persons to remain or return to work can be related to shortages in engineering, secretarial work and other jobs.

13. National Committee on Careers for Older Americans, Older Americans: An Untapped Resource, 1979.

Booklet raises many of the issues regarding age and employment. It examines demographics and other factors which can influence older workers to remain longer in the labor force. It looks at the need for changes in work schedules, new careers, and pension adjustments. Makes specific recommendations for both industry and labor.

(Continued)

General

14. "Personnel: The New Demands on Management," Administrative Management, January, 1979, 36.

Article is concerned with costly effects of continued early retirement trends, particularly with regard to pension outlays. Takes the position that workers must be encouraged to continue in the labor force as long as possible.

15. Rhine, Shirley H., Older Workers and Retirement, New York, The Conference Board, 1978.

Concise report on problems of the older worker in the labor force. Author examines the characteristics of the older worker, reasons for decline in labor force participation rate, unemployment and the older worker, and mandatory retirement.

16. Riley, Matilda White, and Foner, Anne. Aging and Society, Volume I, New York, Russell Sage Foundation, 1968.

Chapters three and eighteen on work and retirement give an excellent overview of many important issues. They cover age patterns of work and retirement, factors associated with retirement, work versus retirement, and the work role and the retirement role.

17. Rosenblum, Marc, and Sheppard, Harold L., Jobs for Older Workers in U.S. Industry: Possibilities and Prospects, Washington, D.C., American Institutes for Research, Center on Work and Aging, 1977.

Aim of this report is to provide positive examples regarding the use of older workers in industry. Positive employment practices in the areas of hiring, promotion and retention are emphasized. Report describes the resources available for industry to hire the older worker. Age discrimination is examined and the need for performance assessment standards are emphasized. Recommendations are offered.

18. Rosenblum, Marc. "Recession's Continuing Victim: The Older Worker," prepared for the Senate Special Committee on Aging, Washington, D.C., 1976.

This paper assesses the impact of the 1974 recession and subsequent recovery on the labor market situation of older workers. Author demonstrates the extent to which discouragement has a much greater impact on older workers. Also offered is a series of policy recommendations for improving the situation of the older worker.

19. Rosenfeld, Carl, and Brown, Scott Campbell. "The Labor Force Status of Older Workers," Monthly Labor Review, Department of Labor, Bureau of Labor Statistic November, 1979, 12-18.

This article examines the dissimilar trends in the labor force participation rates of men and women over 45 since World War II, and the social and economic developments which contributed to these trends. Particular attention is paid to men 61 and younger who retire because of disability, and also those men who retire between 62 and 64, when they are eligible for reduced benefits.

20. Shatto, Gloria M. ed. Employment of the Middle-Aged, Springfield, Illinois, Charles C. Thomas, 1972.

(Continued)

General

20. Shatto, Gloria M., ed. (continued)

Good compilation of papers on the subject of work and retirement. Articles are grouped into five sections: Dimensions of the problem, employment versus leisure, unemployment, psychological data, and age and capacity.

21. Shauer, Neil. "Private Industry's Investment in Older Workers Continues to Pay Dividends," Industrial Gerontology, Spring, 1977, 133-136.

Demonstation model to develop procedures to identify employable workers, retrain them and place them in full-time salaried positions in the private sector is described. The program has been very successful, and industry has responded very favorably.

22. Sheppard, Harold L., New Perspectives on Older Workers, Kalamazoo, Michigan, The W.E. Upjohn Institute for Employment Research, 1971.

This is a collection of four articles which address the labor market problems of older workers. The author discusses the institutional factors which discriminate against the older worker, and the job-seeking behavior of the older worker. Training and the need for different methods is also addressed.

23. Sheppard, Harold L., ed. Toward an Industrial Gerontology, Cambridge, Mass., Schen kman Publishing Co., 1970.

Compilation of papers from a seminar on industrial gerontology, relating to the problems of older workers.

24. Sheppard, Harold L., "Work and Retirement," in Handbook of Aging and the Social Sciences, Binstock, Robert H., and Shanas, Ethel, eds., New York, Van Nostrand Rheinhold Co., 1976.

Examines the issues of early retirement, work life expectancy, labor force participation rates of women, work performance, functional age and training, unemployment, and the retirement decision.

25. Sonnenfeld, Jeffrey. "Dealing with the Aging Work Force," Harvard Business Review, Nov.-Dec., 1978, 81-92.

Comprehensive article concerned with preparing for different workforce in the 1980's. Addresses mid-life career problems, particularly as post war baby boom moves into mid-life. Cites research findings on older worker performance, and refutes many existing stereotypes. Finally, proposes several tools for management to deal with these issues.

26. Sprague, N., and Knatz, H., "Elder Hiring Practices: Problems and Solutions," Generations, Western Gerontological Society, Winter, 1978, 4-5.

Brief overview of the problems of older job-seekers: age bias, long-term unemployment, discouragement, paucity of services, etc. Employer educations and incentive options are discussed.

(Continued)

General

27. Stevens, Charles W., "Aging Americans: Many Delay Retiring or Return to Work to Beat Inflation and the Blues," The Wall Street Journal, November 5, 1979, 1:6.

As a result of inflation, boredom and new anti-discrimination age laws, more older people are going back to work or putting off retirement. Corporation surveys believe that inflation will keep more workers in the labor force past 65. More people are also experiencing a difficult time because of age discrimination. Some companies are instituting flexible retirement with part-time work, compressed work week, and counseling for second careers.

28. U.S. Department of Labor, Employment and Training Administration, Employment-Related Problems of Older Worker: A Research Strategy, Washington, D.C., 1979.

Based on Dr. Harold Sheppard's study, "A Research and Development Strategy on Employment-Related Problems of Older Workers," this report gives a historical overview of older workers and the need for research in this field. It reports on labor force participation rates and changing demographics. Other areas covered are special problems of older workers, special groups of older workers, job performance, alternative work patterns and employer practices.

29. "When Retirement Doesn't Happen," Business Week, June 19, 1978, 72-89.

Trend to work longer has only just begun. It will increase and will impact on reducing pension plan costs and change workplace relationships. Factors include the increase in the 60+ population, the longer lifespan, and the continuation of high inflation. Pension and medical costs will play a role. Some companies are already making changes to meet the needs of the changing workforce. Costs may not be greatly inc reased. Issues of performance appraisal and worker productivity are addressed. There will be an increasing interest in part time jobs and second careers.

30. Withers, William. "Some Irrational Beliefs About Retirement in the U.S.," Industrial Gerontology, Winter, 1974, 23-32.

Author tries to dispell some of the myths and erroneous beliefs perpetuated about retirement. These include: 65 is the right age for retirement; older worker productivity declines; older people need less income.

Management Reaction and Response to ADEA Amendments

1. Beacham, Samuel T. "Managing Compensation and Performance Appraisal Under the Age Act," Management Review, January, 1979, 51-54.

Author looks at some of the ways changes in mandatory retirement age could affect compensation and appraisal programs, job content, measurement of job worth, relationship of wages to performance, motivations to retirement and implications for performance appraisal.

2. "Benefits and the Amended ADEA," Personnel, September, 1978, 4-10.

Survey conducted to determine what companies are doing about altering employee benefits. Areas addressed are pensions; life, health and disability insurance; and performance appraisal systems. General conclusions are that many companies are adjusting health and disability coverage, holding the line on pensions, and upgrading performance appraisals.

3. Copperman, Lois F. Montgomery, Douglas, and Keast, Frederick D. "The Impact of the Age Discrimination in Employment Act Amendments of 1978," a paper presented at the National Gerontological Society, Washington, D.C., November 28, 1979.

Report on the findings of a survey of a nationwide sample of organizations to determine the preliminary effects of the ADEA on the business community. A large majority of those responding do not expect the amendment to have a significant impact on retirement patterns. Other findings are that there exists a relationship between mandatory retirement policies and the size of the organization and type of industry. More than 90% of the sample see their performance appraisal system as adequate, but do not carry it out on a regular basis.

4. Gelb, Betsy D. and Hunt, David M. "Staying on the Job After Sixty-Five," Business Horizons, February, 1979, 17-21.

Article looks at three issues concerning recent change in mandatory retirement age: how many workers will stay past 65; what factors favor retirement; and what the employer can do to influence retirement.

5. Griffes, Ernest H. "Changes Created by the End of Mandatory Retirement," Personnel Administrator, August, 1978, 13-16.

The author, who is the Director of Employee Benefits for the Levi Strauss Company, discusses the changes that will be needed in benefit programs, as well as personnel policies and practices with particular emphasis on career planning.

6. Halpern, Janice. "Raising the Mandatory Retirement Age: Its Effect on the Employment of Older Workers," New England Economic Review, May-June, 1978, 23-34.

Article attempts to evaluate the effects of raising mandatory retirement age. Shows that although the short-term effects will be relatively minor, this may not be true in the long-run. Arguments are based primarily on future changes in the Social Security Program.

Management Reaction (Continued)

7. Jackson, Diane P. "The Management of Age in the Workforce," Management Review, December, 1978, 50-56.

Describes recent changes in the ADEA and the impact on personnel policies and practices. Author also reports on what some companies are already doing to meet the requirements of the new amendments. Offers suggestions for management.

8. Keene, Kenneth. "Coping with Non-Mandatory Retirement," Pension World, December, 1978, 51-55.

Author discusses major changes in ADEA and implications for employee benefits, ways of encouraging retirement, and changes in performance appraisal systems.

9. Singer, James W. "A Brighter Future for Older Workers," National Journal, October, 28, 1978, 16-19.

Article discusses recent change in mandatory retirement age and the implications for both immediate and long-range effects. Corporate reaction is examined and the issue of older worker performance is raised.

10. Sullivan, Donald E. "Never Too Old," The Personnel Administrator, June, 1978, 54-58.

Author discusses recent changes in ADEA, who will be affected and implications for benefits.

11. Thompson, Donald B. "Aging Workers," Industry Week, July 9, 1979, 44-49.

Article focuses on changes in mandatory retirement age and how companies have responded.

12. Walker, James W. and Lupton, Daniel E. "Performance Appraisal Programs and the Age Discrimination Law." Aging and Work, Spring. 1978, 73-82.

This article reviews current appraisal programs in the light of age discrimination law, stressing the need for programs to be systematic, reasonable, relevant and reliable. Different appraisal methods are examined in relation to their ability to meet these criteria.

13. Wallfesh, Henry M. The Effects of Extending the Mandatory Retirement Age. an AMA Management Briefing, New York, AMACOM, 1978.

Traces events leading up to the 1978 amendments to ADEA, and summarizes the implications of those changes on workforce composition, benefits, and personnel policies. Need for revised retirement preparation is suggested.

Job Performance/Functional Age Measurements

1. Baltes, Paul B., and Schaie, K. Warner. "The Myth of the Twilight Years," Psychology Today, March, 1974, 35-40.

   Authors attempt to dispel the myth of intellectual decline in the later years. They address the issue of cross-sectional versus longitudinal research. Discuss intellectual generation gaps and age bias in IQ tests. The conclusion is that there is no important intellectual decline in adulthood.

2. "Banker's Experience with Over-65 Workers," Bankers Life and Casualty Company.

   Pamphlet describing Bankers Life and Casualty experience with older workers. They have found that even with non-compulsory retirement, only about 3% remain after age 65. There is a brief discussion on the issues of absenteeism, health, productivity and performance, and evaluation.

3. Batten, Michael D. "Application of a Unique Industrial Health System," Industrial Gerontology, Fall, 1973, 38-48.

   Describes the GULHEMP system which emphasizes abilities rather than disabilities.

4. Bartley, Douglas L. "Compulsory Retirement: A Reevaluation," Personnel, March-April, 1977, 62-65.

   Study to determine if older persons miss work more frequestly and for longer periods than younger workers, and to determine if they are more accident prone. Data clearly demonstrates that older workers have a better attendance and health and injury record than younger workers.

5. Bauer, Dan. "Is the Older Worker Inherently Incompetent?" Aging and Work, Fall, 1978, 243-249.

   Article discusses research on age-related changes in intelligence, cognitive abilities and personality that may affect job performance. Suggestions are offered for changing job tasks so that they may meet the needs of the older worker.

6. Davis, Stanley, M. "No Connection Between Executive Age and Corporate Performance," Harvard Business Review, March-April, 1979, 6-7.

   Author studied 100 corporations, in terms of age profile of senior officers and four indicators of profitability and growth. Findings reveal significant differences of age-profiles according to industry, but found no relationship between management age and corporate performance.

7. Lehr, Ursula, and Thomae, Hans. "Effect of Age on Work: Psychological Aspects," in Simonson, Ernest, and Weiser, Philip C., eds. Psychological Aspects and Physiological Correlates of Work and Fatigue, Springfield, Ohio, Charles C. Thomas Co., 1976.

   Author reviews research in the field of age and mental abilities, age and psychomotor skills, and age and work productivity.

8. Panek, Paul E., Barrett, Gorlad V., Alexander, Ralph A., Sterns, Harvey L., "Age and Self-Selected Performance Pace on a Visual Monitoring Inspect Task," Aging and Work, Summer, 1979.

Study of 175 female employees to determine if there are significant differences in performance of older and younger workers, if older workers prefer to work at a slower pace, if work pace is related to information processing ability, and if this has any relationship to performance. Conclusions were that there was no significant difference in performance between younger and older workers; that older groups chose to work at slower pace; and that this pace is related to information-processing abilities. Implications are discussed.

9. Quirk, Daniel A., and Skinner, John H., "IHCS: Physical Capacity Age and Employment," Industrial Gerontology, Spring, 1973, 49-62.

Article reports on analysis of information collected on the Industrial Health Counseling Service, a demonstration program in Portland, Maine, designed to apply research that has shown that chronological age is not an appropriate criterion for hiring or promotion. The focus of the article is on the relationship of age to physical ability and work potential. By utilizing the GULHEMP method and focusing on individual evaluation, the IHCS has been effective in overcoming age discrimination in hiring and promotion.

10. Schaie, K. Warner. "Translations in Gerontology - From Lab to Life," American Psychologist, November, 1974, 802-807.

Author examines the myth of intellectual decline, some ways older persons may differ qualitatively in their approach to intellectual performance, and social policy implications of differences in the data on intellectual functioning in old age.

11. Schwab, Donald P., and Heneman, Herbert G., III. "Effects of Age and Experience on Productivity," Industrial Gerontology, Spring, 1977, 113-117.

Study of random sample of 124 employees of a Midwest firm producing consumer goods found that experience did not account for equivalent performance levels for older and younger workers. Limitations of the study were the small sample and some self- selection of workers, as less productive workers leave. Findings encourage the hiring of older workers.

12. Vroom, Victor, and Pahl, Bernard. "Age and Risk Taking Among Managers," Journal of Applied Psychology; Vol. 12, 1971, 22.

With this study, older managers were found less willing to take risks and more inclined to work alone. They were, however, more able to appraise the value of new information in the decision-making process.

13. Heneman, Herbert G. III. "The Relationship Between Age and Motivation to Perform on the Job," Industrial Gerontology, Winter, 1973, 30-36.

Article describes the expectancy theory of motivation and a study which used this theory as a basis for investigating age and motivation. Initial results are that motivational perceptions are lower among older workers.

14. Horn, John L., and Donaldson, Gary. "On the Myth of the Intellectual Decline in Adulthood," American Psychologist, October, 1976, 701-718.

Article was written in response to those who make absolute claims that intellectual decline does not take place in the later years. Authors submit that not enough is known about adult development to permit authoritative assertions that there is or is not any important intellectual decline associated with aging. They review much of the research that has been done in this area and rigorously evaluate it.

15. Johnson, J. Myron. "Is 65+ Old?" Social Policy, Nov-Dec, 1976, 9-12.

Discusses concept of chronological versus functional age. Cites studies in regard to both physical and intellectual changes in the aging person. Describes obsolescence both in terms of the individual and the job, and offers suggestions, such as flextime, part-time work, and task analysis to allow for more flexible work and retirement policy.

16. Koyl, Leon F., M.D., Employing the Older Worker: Matching the Person to the Job, Washington, D.C., National Council on the Aging, 1974.

A manual for medical and personnel staffs, offering a description of the GULHEMP system for measuring a worker's abilities and matching them to the requirements of a specific job.

17. Lewin, George. "Achievement Motivation and the Older Worker," in Sheppard, Harold L. ed., Toward an Industrial Gerontology, Cambridge, Mass., Schenkman Publishing Co., 1970.

Author contends that many of the employment-related problems of older workers are related to motivation. He makes some recommendations for motivation training.

18. McFarland, Ross. "The Need for Functional Age Measurements in Industrial Gerontology," Industrial Gerontology, Fall, 1973, 1-19

Article examines concept of functional age with a discussion of sensory and mental functions; techniques for measuring skill, performance and age; need for job analysis and job placement in relation to workers' functional capacities; and the retraining of older workers for different careers.

Intellectual Functioning and the Older Worker

1. Baltes, Paul B. and Schaie, K. Warner. "The Myth of the Twilight Years," Psychology Today, March, 1974, 35-40.

Authors attempt to dispel myth of intellectual decline in late years. They address the issue of cross-sectional versus longitudinal research. Discuss intellectual generation gaps and age bias in IQ tests. The conclusion is that there is no important intellectual decline in adulthood.

2. Bauer, Dan. "Is the Older Worker Inherently Incompetent?" Aging and Work, Fall, 1978, 243-249.

Article discusses research on age-related changes in intelligence cognitive abilities and personality that may affect job performance. Suggestions are offered for changing job tasks so that they may meet the needs of the older worker.

3. Birrin, James E., and Schaie, K. Warner, eds. Handbook of the Psychology of Aging, New York, Van Nostrand Rheinhold Company, 1977.

Purpose of this book is to provide a review and reference of the literature on the psychological and behavioral aspects of aging. It is divided into four sections, the last section on Behavior Processes being the most relevant here. This section discusses memory, learning, motor performance, visual and auditory perception and communication, intellectual abilities, problem-solving abilities of older owrkers, as well as morale, careers, and personal potentials.

4. Fozzard, James L., and Carr, Gordon D. Jr. "Age Differences and Psychological Estimates of Abilities and Skills," Industrial Gerontology, Spring, 1972, 75-96.

Intended for personnel and vocational counselors, the article discusses methodology and findings of psychological research on changes in abilities with age. Particular attention is focused on the effects of age on performance, on standardized tests of ability and recent developments in training methods.

5. Green, Russel F. "Age, Intelligence and Learning," Industrial Gerontology, Winter, 1972, 29-40.

The article reviews research and discusses both intelligence and learning of the older person. Author concludes that intelligence and ability to learn probably do decline but not until much later than originally thought, and there is great individual variation.

6. Haberlandt, Karl F. "Learning, Memory and Age," Industrial Gerontology, Fall, 1973, 20-37.

Article examines recent research on learning and memory in older people and offers applications to the workplace. Primary finding is that performance differences between younger and older persons do not necessarily indicate different degrees of ability to learn or remember.

7. Horn, John L. and Donaldson, Gary. "On the Myth of the Intellectual Decline in Adulthood," American Psychologist, October, 1976, 701-713.

Article was written in response to those who make absolute claims that intellectual decline does not take place in the later years. Authors submit that not enough is known about adult development to permit authoritive assertions one way or the other. They review much of the research that has been done in this area and rigorously evaluate it.

8. Krauss, Iseli. "Cognitive Abilities in Older Workers," a paper presented at the annual meeting of the National Gerontological Society, Washington, D.C., November, 1979.

Paper discusses intellectual functioning of older workers and the factors other than abilities in question that influence performance on tests. It is important to know what aspect of intellectual functioning are relevant to the work situation. There are some large individual differences among older persons in all aspects of intellectual functioning.

9. Schaie, K. Warner. "Translations in Gerontology - From Lab to Life," American Psychologist, November, 1974, 802-807.

Author examines myth of intellectual decline, some ways older persons may differ qualitatively in their approach to intellectual performance, and social policy implications of differences in the data on intellectual functioning in old age.

10. Welford, A. T. "Motivation, Capacity, Learning and Age," International Journal of Aging and Human Behavior, Vol. 7, No. 3, 1976, 189-199.

Describes learning difficulties encountered by older individuals: problems comprehending material, registering it in enduring memory, and retrieving it for use in recall. Influence of motivational factors is discussed, including hesitancy to participate and cautiousness in making a decision.

The author points out that learning "costs" to older persons (in terms of effort) are proportionately greater than for younger individuals. The "discovery" method of training is suggested.

1. Barkin, Solomon. "Retraining and Job Redesign: Positive Approaches to the Continued Employment of Older Persons," in Sheppard, Harold L. (Ed.) Towards an Industrial Gerontology, Cambridge, Mass., The Schenkman Publishing Co., 1970.

Method of training is crucial to results. The author of this article maintains that the traditional method of training, i.e., exposition of theory, followed by practical application, may not be appropriate to adults as they age. He suggests that the problem-solving approach in a meaningful context, handled at the learner's own pace is more appropriate. Job redesign can have a profound effect on job retention by older workers. To promote this technique, management must be convinced of its value, people must be instructed in human engineering principles, and practitioners must be trained to specifically eliminate pressures deleterious to older persons, such as constant high speed, unduly small tools, written instructions, etc.

2. Belbin, R. Meredith. "The Discovery Method: An International Experiment in Retraining," Paris, Organization for Economic Cooperation and Development, 1969.

3. Belbin, R. Meredith. "The Discovery Method in Training Older Workers," in Sheppard, Harold L. (Ed.) Towards an Industrial Gerontology, Cambridge, Mass., Schenkman Publishing Company, 1970.

Because older persons experience various problems in learning, the discovery method of training was designed. Its chief characteristics are that it is new; it emphasizes a problem solving approach to motivate learners; it allows trainees to find their own way of assimilating things; it allows learning to progress in easy stages; integrates learning content into a meaningful context; it allows for rapid feed-back; it minimizes verbal learning; and it also keeps "interference effects" at a minimum.

4. Belbin, Eunice, and Belbin, R. Meredith. Problems in Adult Retraining, London, Heinemann, 1972.

Practical and concise book which addresses many of the problems that older workers may face in the area of retraining, and how these problems can be dealt with.

5. Organisation for Economic Cooperation and Development. Job Redesign and Occupational Training for Older Workers, International Seminars, Final Report, Paris, 1964.

Series of papers, delivered by international panel on the needs and problems of older workers, and some strategies developed in different countries to meet them. Occupational training and job modification are advocated, with the emphasis on fitting the worker to the job. Future strategies to avoid skills obsolescence are discussed. Cooperation between employers, workers, unions and government is called for.

6. Siemen, James R. "Programmed Material as a Training Tool for Older Persons," Industrial Gerontology, Summer, 1976, 183-189.

Article analyzes the nature of one teaching modality, programmed instruction, as it relates to the teaching and training of older people. The three major result were that the program was an effective teaching instrument for young and old, that there was a significant difference between age groups in the amount of time needed to complete the program, and that there was no significant difference in learning ability between the two age groups.

Age Discrimination

1. Aldag, Ramon J., and Brief, Arthur P. "Age and Reactions to Task Characteristics," Industrial Gerontology, Summer, 1975, 223-229.

The purpose of the article is to report the results of two studies which examined the thesis that younger employees desire more enriched jobs, while older workers place more emphasis on pay and job security. The findings suggest that this may be a stereotyped conclusion. Further research is called for.

2. Batten, Michael D., "Legal Challenges to Mandatory and Involuntary Retirement: Policy Consideration," Journal of the College and University Association, Winter, 1978, 14-20.

Discussion of some of the ADEA cases which have been litigated and which raise some key age-related human resource management problems. The underlying problems and policy implications are the focus of the article.

3. Clelland, Patrick G. "Age Discrimination Law: Rights and Responsibilities of Employers and Individuals," Industrial Gerontology, Summer, 1973, 53-64.

The article provides employers and employees with an examination of their responsibilities and rights regarding the regulations and enforcement of the ADE, placing particular emphasis on practical applications.

4. Edelman, Charles D., And Siegler, Ilene. Federal Age Discrimination in Employment Act, Charlottesville, Virginia, the Michie Company, 1978.

The book deals primarily with the Age Discrimination in Employment Act of 1967. It begins with the purpose of the act and discusses many issues, including lawful practices, enforcement, remedies for violation and record-keeping. Since the book was written before the 1978 Amendments, there is a 1979 supplement which updates the original, but is somewhat confusing to read. However, the book and the supplement are a fairly comprehensive resource on the ADEA.

5. Kendig, William L. Age Discrimination in Employment, New York, AMACOM, 1978.

The book examines the reasons for age discrimination, describes several cases, and shows the role and function of the enforcement agency in age discrimination suits.

6. McAuley, William J. "Perceived Age Discrimination in Hiring: Demographic and Economic Correlates," Industrial Gerontology, Winter, 1977, 21-28.

A perceived age discrimination study of persons 40-64, both employed and unemployed, was undertaken. The major findings were that 42% believed that their age was a factor, in terms of ability to find a job. Older groups are more likely than blue collar works to see age as a factor. Residents of large cities are more likely to perceive age discrimination. Retail-whole worker and professions have a high likelihood of perceived discrimination in hiring.

7. Rosen, Benson, and Jerdee, Thomas H. "The Nature of Job-Related Age Stereotypes," Journal of Applied Psychology, Vol. 61, No. 2, 1976, 180-183.

The study was designed to measure how people perceive the average 60 year old and the average 30 year old male in work situations. The four worker qualifications studied were performance capacity, potential for development, stability, and inter-personal skills. Results indicated that older and younger workers were perceived differently, and that the stereotypes of older workers are contrary to research findings on aging and work.

8. Rosen, Benson, and Jerdee, Thomas H. "Influence of Employee Age, Sex and Job Status of Managerial Recommendations for Retirement," Academy of Management Journal, March, 1979, 169-173.

A study of 142 male and female managers to determine how age stereotypes influence managerial assessments of the desirability of initiating retirement procedures for older workers, and the importance underlying these judgments.

9. Rosen, Benson, and Jerdee, Thomas H., "The Influence of Age Stereotypes on Managerial Decision," Journal of Applied Psychology, Vol. 61, No. 4, 1976, 428-432.

A Study of 142 undergraduate business students given administrative decision making exercises regarding hypothetical employees. Comparisons were made of respondents' evaluations and recommendations in simulations which were in all ways identical except for the age of the employee in question. An analysis of data revealed that older employees were considered to be more resistant to change, lacking in creativity, more cautious, lower in physical capacity, less interested in technological change, and less trainable. The conclusion was that age bias in managerial decisions have potential to damage the well-being and career progress of older workers.

10. Rosen, Benson, and Jerdee, Thomas H., "Too Old or Not Too Old?" Harvard Business Review, Nov-Dec, 1977, 97-106.

Article describes the results of a survey of HBR subscribers to determine the extent to which age stereotypes creep into administrative decisions. Two versions of the same questionnaire, one featuring an older person and the other a younger, allowed for an examination of age stereotyping without actually calling attention to the age factor. Significant conclusion was that the older worker was discriminated against as a result of unconscious age stereotypes, rather than conscious discrimination.

11. Spalding, J. B., "Self-Inventory Methods in Preparation for Age Discrimination Complaints and Lawsuits," Aging and Work, Fall, 1979, 246-258.

A model is presented for employers to reduce their vulnerability to age discrimination suits. The primary consideration is the maintenance of detailed and comprehensive personnel records. Author demonstrates how this can be done.

Employee Benefits and the ADEA

1. "Constructing an Employee Benefit Package for Part-time Workers," a Catalyst position paper, 1975.

This paper provides guidelines for constructing an employee benefit package for part-time workers, that is equitable to both employer and employee. Pro-rating is based on annual earnings and is feasible for computing all compensatory and most supplementary benefits. Where pro-rating is not possible, suggestions are offered for making other types of adjustments.

2. Employee Benefit Planning for the 80's and Beyond," New York, William Mercer, Inc., 1979.

Booklet published by William Mercer Employee Benefits Consulting Co. discusses ADEA amendments, with regard to employee benefits. Discusses the Department of Labor Interpretive Bulletin on benefit plan coverage for persons over 65. Although the major benefit plan structure is substantially in place to meet the benefit requirements, shifts in emphasis and flexibility may be necessary.

3. "Employer Intentions Regarded ADEA Noted," Risk Management, February, 1979, 64.

Results of two surveys undertaken among corporations to determine intentions with respect to benefit and pension plans for those past 65.

4. French, Julia R. "Employer Obligations - and Opportunities - Under Proposed ADEA Regulations," Aging and Work, Winter, 1979, 59-67.

Author examines various segments of ADEA regulations as they relate to specific employee benefits and also reports on employer responses.

5. Griffes, Ernest J. "Changes Created by the End of Mandatory Retirement," The Personnel Administrator, August, 1978, 13-16.

The author, who is the Director of Employee Benefits for the Levi Strauss Company, discusses the changes that will be needed in benefit programs, as well as personnel policies and practices, with particular emphasis on career planning.

6. Harker, Carlton. "Plan Sponsor's Guidebook to the ADEA Requirements," Pension World, March, 1979, 46-53.

Article surveys the impact on employee benefit plans, shows pension plan sponsors the options available to them, and provides indices of the financial effect on both plan benefits and plan costs for many options.

7. Schlachtmeyer, Albert S., and Bogard, Robert B. "Employee-Choice Benefits--Can Employees Handle It?" Compensation Review, Third Quarter 1979, 12-19.

For benefit planners, the article describes the experience of one company, the American Can Co., who offered its employees a choice of benefits.

8. Schanes, Steven E., and Dungan, Vicki L. "Corporate Pension Decisions-Who Makes Them?" Pension World, October, 1978, 10-16.

Article attempts to examine how corporations are set up to deal with constant fluctuations surrounding employee benefits, and to find out the degree to which the financial and "humane" sides of benefits are interrelated in corporate policy and program activity.

9. Sullivan, Donald E. "Never Too Old." The Personnel Administrator, June, 1978, 54-58.

Author discusses recent changes in ADEA, who will be affected, and what it means to management, particularly in terms of employee benefits.

10. Yaffe, Rian M. "Changing Retirement Patterns Their Effect on Employee Benefits," The Personnel Administrator, February, 1979, 29-33.

Author discusses recent amendments in ADEA, particularly the changes legislated in regard to pensions and employee benefits. He reviews all items in an employee benefits' plan, with consideration for cost control and maintaining good employee relations.

Pensions/ERISA

1. Burianek, Frank G. "Pension Plans -- Is the Sky Really Falling?" Pension World, February, 1978, 7-14.

   This article was written in response to an article that appeared in Fortune in 1977, which had prophesized doom for organizations as a result of ERISA. The author, an actuary, responds to the points raised in the Fortune article.

2. "Employer Intentions Regarding ADEA Noted," Risk Management, February 1979, p. 64.

   Results of two surveys undertaken among corporations to determine intentions regarding benefits and pension plans for those past 65.

3. Erlenborn, John N. "ERISA in the 80's," Pension World, January, 1980, 39-45.

   Congressman discusses changes he sees needed in regard to pensions in the 80's. These include the establishment of a single agency to consolidate all federal pension regulation; voluntary IRA payroll withholding; simplication of ERISA to eliminate expense and excessive paperwork; solution for mandatory termination insurance for multi-employer plans; and enactment of a bill like ERISA that would apply to public pension plans.

4. Fasser, Paul J. Jr. "The Disclosure Requirements of the Employee Retirement Income Security Act of 1974 (ERISA)," Personnel, Jan-Feb, 1975, 10-17.

   Author discusses major points of ERISA and new demands it creates for personnel.

5. Fleming, Sandra. "Getting Your Money's Worth from ERISA," Personnel, May-June, 1975, 32-43.

   Article deals with communicating employee benefits both comprehensively and effectively.

6. Frumkin, Robert, and Schmitt, Donald. "Pension Improvements since 1974 Reflect Inflation, New U.S. Law," Monthly Labor Review, Department of Labor, Bureau of Labor Statistics, April, 1979, 32-36.

   Bureau of Labor Statistics surveyed 131 pension plans and found: age and service requirements changed to offer retirement before 65; most of the plans liberalized their retirement benefit formula; one-third revised benefit formula to integrate with Social Security; more plans added early retirement provisions, age, service and disability supplements were liberalized; and other benefits, such as vesting, new entrants and death benefits were added.

7. Greenough, William C. "Private Pensions Challenge for the 21st. Century," Best's Review (Life/Health), January, 1978, 24.

   Author discusses three problems that exist for private pensions and ways that insurance companies can provide needed solutions: too many employers without pension plans; pensions that do not meet needs of those that change employment frequently; and the need for a clearer distinction between the role of private pensions and the role of Social Security.

8. Greenough, William C., and King, Francis P. Pension Plans and Public Policy, New York, Columbia University Press, 1976.

The book provides a comprehensive overview of income support for the retired and the resulting public policy implications. The authors cover the history of pension plans, the Social Security system, private pension plans and public plans, and the public policy considerations of these areas.

9. Kent, Glenn H. "Team Management of Pension Money," Harvard Business Review, May-June, 1979, 162-167.

The article discusses what Honeywell, Inc. is doing in regard to the management of its pension money. Since 1977, a team of managers meet regularly to discuss market performance and risk exposure of the company's portfolio and innovative investment approaches. Article also discusses the role and fee of participating managers.

10. Moffitt, Donald. "New Pension-Fund Regulation Makes it Easier for Trustees to Risk 'Alternative Investments'," The Wall Street Journal, September 10, 1979, 48:1.

Discusses the new Department of Labor regulation which makes more flexible the choices for investments for those covered by ERISA and the " rudent man" rule.

11. Schiller, Bradley R., and Weiss, Randall D. "The Impact of Private Pensions of Firm Attachment," unpublished, December, 1977.

Study to determine whether or not variations in pension plan characteristics are significant determinants of firm attachment and also identify those features of th plans that have most affect on quit behavior. Findings suggest that structural characteristics of plans do affect quit behavior. Other findings relate to vesting, value of benefits and imposition of contributory requirements. Authors also offer implications of findings in terms of altering labor supply behavior.

12. Schulz, James H., Leavitt, Thomas D., and Kelly, Leslie. "Private Pensions Fall Far Short of Preretirement Income Levels," Monthly Labor Review, Department of Labor, Bureau of Labor Statistics, February, 1979, 28-31.

Survey of benefits plans carried out by BLS in 1974. Results included: widely varying rates of preretirement earnings replacement; combined benefits, with Social Security added, fell short of preretirement living standards; periods of non-coverage or early retirement significantly reduce the replacement ratio provided by Social Security and private pensions.

13. Spector, William D., and Schulz, James H. "Private Pensions: Trends in Vesting and Benefit Levels: 1952-1974," Aging and Work, Spring, 1979, 73-85.

Article examines expansion of private plans before ERISA, in order to evaluate the effect of ERISA. The interaction of vesting provisions and labor mobility is discussed, in addition to private pension benefit levels. The examination indicates that the major increases in pension coverage came in the 40's and 50's and slowed down in the 60's and 70's. There are still many workers who are not covered or are covered only by profit-sharing plans. Pension coverage will probably continue to expand but at a slower rate.

14. Treynor, Jack L., Regan, Patrick, and Priest, William W. Jr. The Financial Reality of Pension Funding Under ERISA., Homewood, Ill., Dow Jones-Erwin, 1976.

Book deals with financial implications of ERISA. The authors have developed an approach for determining the impact of pension costs and unfunded liabilities in individual companies.

The Older Worker and the Union

1. Clague, Ewan, Paulli, Balraj, and Kramer, Leo. The Aging Worker and the Union, New York, Praeger Publishers, 1971.

This is a compilation of policies and practices of some of the major unions with respect to such issues as discrimination in employment, Social Security, retraining, preretirement planning, seniority, pension plans and early retirement.

2. Graham, Harry and Donovan, Harry. "The Union Role in Administering Collectively Bargained Pension Plans," Industrial Gerontology, Spring, 1974, 34-41.

A study was undertaken to determine the extent to which local unions are active in administering private, collectively bargained pension plans. Results show many union pension plan negotiators take little interest in plan's financial operation.

Mid-Career Counseling/Second Careers

1. Blau, Benami. "Understanding Midcareer Stress," Management Review, August, 1978, 57-62.

   Author discusses midcareer stress specifically as it relates to the work-place. Discusses origin of stress and offers suggestions for management for dealing with it.

2. Kelleher, Carol H. "Second Careers -- A Growing Trend," Industrial Gerontology, Spring, 1973, 1-8.

   A survey of literature covering some of the issues related to career change. Voluntary career changes, forced changes, and second careers after retirement are examined.

3. Kets de Vries, Manfred F. R. "The Midcareer Conundrum," Organizational Dynamics, Autumn, 1978, 45-62.

   Good article examining midlife and midcareer transtion of managers by first exploring changes which take place during this period, and the symptoms manifested. Offers suggestions for both individual and organizations on how to prevent it, or limit its effects. Particularly emphasized is the role of counseling and the prevention of obsolescence.

4. Leider, Richard J. "Why a Second Career?" The Personnel Administrator, Vol. 19, No. 2, 1974, 40-45.

   Reviews findings of several studies which report the rate of change more rapid now, so that many can no longer count on having one career. People do not want to work at one career for their whole life; the increase in educational levels raises people's aspirations. Article discusses the trend away from financial rewar to greater job satisfaction. Studies indicate that those who seek second careers have higher achievement values, want greater autonomy and variety.

5. Levinson, Daniel J. The Seasons of a Man's Life, New York, Alfred A. Knopf, 1978.

   A longitudinal study of the adult development of men. Offers detailed discussion of mid-career crisis and transition period, as well as its implications for the organization. The author believes that the organization adds to the proble and needs to be aware of this, in order to change the status quo.

6. Montana, Patrick J. "Implementing a Career Life Planning Program," Personnel, Sept-Oct, 1979, 66-71.

   The article describes a practical approach to implementing a career life planning program for both the public and private sectors.

7. Orth, Charles D., III. "How to Survive the Mid-Career Crisis," Business Horizens, October, 1974, 11-18.

   The article examines the factors that precipitate mid-career change, the typical directions and degree of change involved, and the potential problems for individuals and organizations.

8. Parnes, Herbert S., Adams, Avril V., Andrisani, Paul J., Kohen, Andrew I., and Nestel, Gilbert. The Pre-Retirement Years: A Longitudinal Study of the Labor Market Experience of Men, Volume IV, (U.S. Department of Labor, Manpower Research Monograph No. 15). Washington, D.C., U.S. Government Printing Office, 1975.

Discusses topics important in understanding the labor market experience and status of men in middle-age. Of particular relevance is the discussion on middle-aged job changers and that on early retirement.

9. Robbins, Paula I. Successful Midlife Career Change, New York, AMACOM, 1978.

Study of midlife career change patterns of 91 middle and upper-class men. Describes the midlife, midcareer crisis. Lists many of the psychological factors underlying career change and change in general. Offers some guidelines for planning career change.

Retirement Age Policy

1. Drucker, Peter F. "Flexible-Age Retirement: Social Issue of the Decade," Industry Week, May 15, 1978, 66-71.

Flexible retirement is going to be a central issue in the U. S. in the next decade. Every working American has to transfer about one-third of his income to support retired persons. There is a need to establish performance criteria for people who are physically declining. There needs to be an equitable system of rights and benefits for those remaining in the labor force past 65. Flexible retirement will force employers to create permanent part-time jobs. Economically, we need a policy that encourages people to stay at work. Most novel of the challenges posed by the abolition of fixed-aged retirement is the need for second careers.

2. Fritz, Dan. The Changing Retirement Scene: A Challenge for Decision Makers, Los Angeles, The Ethel Percy Andrus Gerontology Center, University of Southern California Press, 1978.

The booklet is a report of a sample of over 200 public and private decision-makers in the Los Angeles area and how they view selected retirement issues. These views are compared to research findings, and suggestions are made for preparing for changing retirement policies and practices.

3. Litras, Thomas S. "The Battle Over Retirement Policies and Practices," Personnel Journal, February, 1979, 102-110.

Author traces history and factors surrounding early retirement, and how recent events may influence changes. The financial stability of the Social Security system, coupled with the raising of the mandatory retirement age, has caused a reexamination of policies. Author re-evaluates the issue of demographics and the problems of increased pension burdens. He concludes with some hypothetical future alternatives, dealing with both economic and social consequences of retirement.

4. Rix, Sara. "Rethinking Retirement-Age Policy in the U. S. and Canada, Personnel Journal, November, 1979, 780-788.

Good in-depth article on some economic, demographic, and bio-medical factors which necessitate a reassessment of the current retirement policy and need for later-age retirement.

5. Rix, Sara. "Crisis in Commitment? Retirement Support and the Taxpayers' Burden, a paper prepared for the 32nd. annual meeting of the Gerontological Society, Washington, D.C., November, 1979.

Discusses some results of recently completed longitudinal study of 900 persons, ages 40-69. Of primary interest is the extent to which a growing burden on systems and on individual workers may result in a push to raise retirement age. Other issues discussed are early retirement, part-time employment, and economic fac

6. Sheppard, Harold L. and Rix, Sara. The Graying of Working America: The Coming Crisis in Retirement-Age Policy, New York, The Free Press, 1977.

Excellent discussion of the economic and financial factors which are forcin a re-evaluation of our retirement age policy.

Flexible Retirement/ Alternative Work Schedules

1. Batten, Michael D., and French, Julia R. "Are Employers and Older Workers at the Crossroads?" Pension World, November, 1978, 10-15.

Article examines age factors in the population and the labor force, research findings on the experience of retirees, structure and dynamics of age and their impact on retirement policies, and offers guidelines for dealing positively with retirement and retention options.

2. Best, Fred. "Recycling People: Work Sharing Through Flexible Life Scheduling," The Futurist, February, 1978, 5-16.

An interesting article which addresses the need for greater flexibility of education, work and leisure over a lifetime. Illustrates how we have allocated time since primitive man. Addresses the problem of changing attitudes toward time and income, the problems of over-education, and the changes in sex role and family structure, as they affect flexible life patterns. Discusses some flexible work alternatives.

3. "Constructing an Employee Benefit Package for Part-time Workers," a Catalyst position paper, New York, 1975.

This paper provides guidelines for constructing an employee benefits package for part-time workers that is equitable to both employer and employee. Pro-rating is based on annual earnings and is feasible for computing all compensatory and most supplementary benefits. Where pro-rating is not possible, suggestions are offered for making other types of adjustments.

4. Gelb, Betsy. "When Compulsory Retirement at 65 is Ended," Harvard Business Review, July-August, 1977, 6-8.

Author proposes measures that organizations should consider when workers are allowed to remain past 65. These include retirement package, retiree-relations staff, gradual retirement plan and team efforts to determine capabilities required for all jobs.

5. Greenwald, Carol S., And Liss, Judith. "Part-time Workers Can Bring Higher Productivity," Harvard Business Review, Sept-Oct, 1973, 20.

There are many reasons why a company might benefit from hiring more part-timers: diminished cost as a result of reduced absenteeism, turnover and over-time and higher productivity because of the faster pace of part-timers. Vacations can be alternated, causing less interruption in routine. The experience of the authors is that, even at the professional level, part-time workers are very effective. The article also discusses the issue of benefits and taxes for part-timers.

6. Johnson, J. Myron. "Is 65+ Old?" Social Policy, Nov-Dec., 1976, 9-12.

Discusses the concept of chronological versus functional age. Cites studies relating to both physical and intellectual changes in the aging process. Describes obsolescence both in terms of the individual and the job, and offers suggestions such as flex-time, part-time work and task analysis to allow for more flexible work and retirement policy.

7. Lublin, Joann S. "Firms and Job Seekers Discover More Benefits of Part-time Positions," The Wall Street Journal, October 4, 1978, 1:6.

Cites Labor Department study that found that part-time employees provide higher productivity, greater loyalty, and less absenteeism, while also reducing company payroll costs. Some companies are creating part-time positions to fill certain jobs and some are beginning to offer employee benefits to part-timers. Unions are also beginning to fight for benefits for part-timers because of swelling numbers.

8. Maguire, Gerald. "Our Non-Compulsory Retirement Policy," Bankers Life and Casualty Company statement presented to the House Select Committee on Aging, Washington, D.C., March 16, 1977.

Describes non-compulsory retirement policy that has existed at Bankers Life for the past thirty years. The company provides specialized programs, analyzes the needs of employees, and treats each employee as an individual. The company also hire many retirees over age 65.

9. Morrison, Malcolm H. "International Developments in Retirement Flexibility, Aging and Work, Fall, 1979, 221-233.

Author indicates there is still much research needed on flexible retirement options with respect to a clear definition of terms and the number of employees who would take advantage of it. Policy analysis is needed on creating greater flexibility in public and private pensions. This article reviews various flexible retirement programs and makes suggestions for management on ways of dealing with the aging workforce.

10. National Committee on Careers for Older Americans, Older Americans: an Untapped Resource, Washington, D.C., 1979.

Booklet raises many of the issues relating to age and employment. It examines demographics and other factors which could affect older workers remaining longer in the labor force. It looks at the need for changes in work schedules, new careers and pension adjustments, and makes specific recommendations for both industry and labor.

11. Olmstead, Barney. "Job Sharing: an Emerging Work Style," International Labor Review, May-June, 1979, 283-298.

Article provides an overview of a new model of alternative work arrangement: job sharing. Describes advantages and disadvantages in terms of the employee, the employer and the union. Article concludes with broader implications, including the role of job sharing in the transition from work to retirement.

12. Rappaport, Anna M. "Prepare for the World of Post 65 (and Early) Retirement," Harvard Business Review, July-August, 1978, 6-7.

Article discusses some considerations in developing a retirement policy: pension plan costs, employee benefits, changing work patterns, and pre-retirement counseling.

13. Robison, David. "Connecticut General Gents Jump on New Retirement Law: Offers Staff Career Choices," World of Work Report, September, 1978.

By instituting career counseling and by revising the employee appraisal system, employees are given greater choice and flexibility.

14. Robison, David. Alternative Work Patterns, Report of Conference co-sponsored by the National Center for Productivity and Quality of Working Life and the Work in America Institute, New York, June 2, 1976.

What is useful in this report is the discussion and case studies concerning part-time work, which can be applied to older workers.

15. Walker, James W. "Why Stop at 65?" Management Review, September 1977, 13-18.

Although written before the changes in the ADEA which raised the mandatory retirement age to 70, the article's discussion of mandatory retirement, its plea for flexible retirement age policy, and its recommendations of tools for management to accomplish this are still quite apropos.

16. Walker, James W., and Lazer, Harriet L. The End of Mandatory Retirement: Implications for Management, New York, John Wiley and Sons, 1978.

Good comprehensive examination and analysis of a flexible retirement policy, rather than a mandatory one. Has much practical application for management.

The Retirement Decision

1. Boskin, Michael. "Social Security and Retirement Decisions," Economic Inquiry, January, 1977, 1-25.

Much of the literature on the retirement decision indicates health to be a major factor. The author disagrees with this and demonstrates through this study that two elements of social security, the guaranteed income and tax on earnings, are significant factors in the retirement decision.

2. Cassell, Frank H. "The Increasing Complexity of Retirement Decisions," Michigan State University Business Topics, Winter, 1979, 15-24.

Author examines many of the dimensions involved in the increasingly complex issue of the retirement decision. As a result of the increased range of options, more research is needed to better understand what is involved.

3. Diotte, Alfred P. and Soat, Douglas M. "Employees' Attitudes Toward Retirement," The Personnel Administrator, February, 1979, 26-27.

A research study of employees in the corporate office of Parker Pen Company, to determine the effects of the recent change in mandatory retirement age on retirement patterns. Two important findings are that most employees do not expect to retire later, as a result of the recent changes in law, and that many have not made a preparation for retirement, which may, in fact, serve to postpone retirement, in view of current economic conditions.

4. Ekerdt, David, Bosse, Raymond, and Mogly, John M. "Concurrent Change in Planned and Preferred Age for Retirement," Journal of Gerontology, March, 1980, 232-239.

Studies have been conducted on planned age and preferred age of retirement. Planned age fluctuates in response to changing pension policies and economic conditions. Preferred age has been found to rise with advancing age, reflecting an increasing awareness about retirement. This study was undertaken to clarify the relationship between planned and preferred age. Findings show that planned and preferred ages are in part a function of cohort membership -- that workers' readiness to retire conform to their probable behavior which is prescribed by the social and institutional timetables of their cohort.

5. Price, Karl F., Walker, James W., and Kimmel, Douglas C. "Retirement Time and Retirement Satisfaction," Aging and Work, Fall, 1979, 235-245.

Study of over 1400 recently retired corporate employees on retirement timing, to determine the significance of retirement timing on satisfaction. Findings reveal that for those who retire voluntarily, there is no difference in retirement satisfaction between early and on-time retirement. On-time retirement is more positive than early retirement for those whose retirement was not voluntary. Because health was found to be the most critical variable in retirement satisfaction for voluntary retirees, it is suggested that pre-retirement counseling emphasize health maintenance.

6. Rones, Philip L. "Older Men - the Choice Between Work and Retirement," Monthly Labor Review, Department of Labor, Bureau of Labor Statistics, November, 1978, 3-10.

Article examines the factors which contribute to older workers' decisions to remain on the job, and how these factors are reflected in the person's employment characteristics. Particularly emphasized are the reasons for industry and occupational employment patterns of older workers.

7. Walker, James W., and Price, Karl F. "The Impact of Vesting, Early Retirement, Rising Cost of Living and Other Factors on Projected Retirement Patterns: a Manpower Planning Model," Industrial Gerontology, Summer, 1974, 35-48.

A model for analysis of patterns of employee retirement. The primary factors, categorized as environmental, institutional and individual, are examined, as are their impact on the firm, and the costs and benefits to the organization. In summary, early retirement, increasing cost of living, and vesting will lead to a rise in pension costs for employers. On the other hand, an improved pension system may facilitate mobility, through early retirement and resignation.

Early Retirement

1. Barfield, Richard, and Morgan, James. Early Retirement: The Decision and the Experience, Ann Arbor, the University of Michigan, 1969.

   Study of a sample of UAW workers and a national sample to determine the factors in early retirement and in retirement satisfaction. Major finding of the study was that financial factors -- expected retirement income -- was of primary importance in the retitement decision.

2. Barfield, Richard E., and Morgan, James N., "Trends in Planned Early Retirement," The Gerontologist, February, 1978, 13-18.

   Comparison study undertaken to determine whether age patterns of plans for early retirement and a decade ago would show a cohort effect. Findings seem to indicate that different age groups have different lifetime experiences which affect their retirement plans.

3. Hayes, Thomas C. "Early Retirement Seen Lagging," The New York Times, July 11, 1979, D1-5.

   A survey of several companies reveals evidence of a shift: people are remaining on the job, rather than retiring. Major factors are inflation, disillusionment with retirement, and the growing realization of the physical and emotional benefits of work.

4. Kleiler, Frank M. Can We Afford Early Retirement? Baltimore, Md., Johns Hopkins Press, 1978.

   This book examines early retirement in both the public and private sectors, as well as the social and financial implications.

5. Parnes, Herbert S., Adams, Avril V., Andrisani, Paul J., Kohen, Andrew I., and Nestel, Gilbert. The Pre-Retirement Years: A Longitudinal Study of the Labor Market Experience of Men, Vol. 4 (U. S. Department of Labor, Manpower Research Monograph No. 15), Washington, D. C., U. S. Government Printing Office, 1975.

   Discusses topics important in understanding the labor market experience and status of men in middle-age. Of particular relevance is the discussion on middle-aged job changers and that on early retirement.

6. Pollman, William, and Johnson, Alton C. "Resistance to Change, Early Retirement and Management Decisions," Industrial Gerontology, Winter, 1974, 33-41.

   A study conducted with UAW workers on resistance to change and early retirement. Study found that job changes were correlated with early retirement. Article suggests that retraining and allowing for additional time for adjustment to change may encourage the retention of otherwise highly skilled individuals.

7. Reno, Virginia. "Why Men Stop Working at or Before Age 65: Findings From the Survey of New Beneficiaries," Social Security Bulletin, June, 1971, 3-17.

   Health was the primary reason given for early retirement. Mandatory retirement was the major reason given for those who retired at age 65. Presence of a second pension and level of retirement benefits was a major influence in early retirement decision.

8. Stagner, Ross. "The Affluent Society Versus Early Retirement," Aging and Work, Winter, 1978, 25-31.

Early retirement is encouraged and institutionalized in our society. Article raises the question as to whether this is economically and psychologically advisable. Because it has been found that a significant percentage of retired people wish to re-enter the labor market, the author believes that government and employers should help employees develop new fields of interest before retiring, to enable them to enter other careers.

9. Walker, James W. "Will Early Retirement Retire Early?" Personnel, Jan-Feb, 1976, 33-39.

Continued inflation is causing a shift in the trend toward early retirement. Cost-savings expected from lower-paid employees has been found to be temporary, as salaries increase with job progression. Costs are increased, too, by disrupted work schedules following early retirement, as well as learning time required for new job holders. Current attitudes seem to favor longer working careers. Employers are beginning to recognize the assets of older workers. Major obstacles to early retirement are inflation, lack of post-retirement jobs, and the burden to the public of supporting this level of benefits.

Preparation for Retirement

1. Getschow, George. "How Counselors Help Employees Manage Funds to Insure Comfortable, Carefree Retirement," The Wall Street Journal, January 8, 1979, 30:1.

Discusses growing popularity and expansion of pre-retirement planning programs. Rapid growth can result in abuse. Planning is becoming more complex because of changi legislation affecting employee benefits. Article describes a consulting firm that offers counseling to corporate employees.

2. Kasschau, Patricia L. "Reevaluating the Need for Retirement Preparation Programs," Industrial Gerontology, Winter, 1974, 42-55.

Major purpose of this article is to distinguish between the two functions of retirement preparation programs -- counseling and planning -- and to evaluate the effectiveness of each.

3. O'Meara, J. Roger. Retirement: Reward or Rejection? New Yor, The Conference Board, 1977.

Author examines the evolution of the institution of retirement, the problems that retirement can bring, and retirement preparation for employees.

4. Reich, Murray H. "Group Preretirement Education Programs: Whither the Proliferation? Industrial Gerontology, Winter, 1977, 29-43.

Comprehensive literature review on the subject. Author sees need for programs that incorporate opportunity for participants to express feelings and fears. Discusses several of the more popular topics of the programs.

5. Siegel, Sidney R., and Rives, Janet M. "Characteristics of Existing and Planned Preretirement Programs," Aging and Work, Spring, 1978, 93-99.

Survey was undertaken of 450 companies to assess the current preretirement pro and to determine how business is responding to the needs of preretirees. Some of the characteristics of programs are discussed. An analysis of the findings reveals that there is little or no emphasis on psychological factors, which, the author feels, are important.

Mandatory Retirement

11. Clutterbuck, David. "Are Older Managers Pushed Out Too Soon?" International Management, October, 1978, 12-19.

Discussion of the pros and cons of mandatory retirement at any age, citing different company practices and policies.

12. Pati, Gopal C., and Jacobs, Randall C. "Mandatory Retirement at 70: Separating Substance from Politics," Personnel Administrator, February, 1979, 19-24.

Good article dealing with issues of mandatory retirement, with particular emphasis on implications for management, and what can be done that will encourage both retention and retirement.

13. Seixas, Suzzanne. "Evidence Mounts that Mandatory Retirement Cost Too Much, Wastes Talent and May be Dangerous to your Health," Money, April, 1977, 43-45.

Bibliographies and Research Summaries (Age and Work)

1. Clifford, Mary Elizabeth, "Learning Ability and Age: A Bibliography for Training Programs," Industrial Gerontology, Winter, 1972

2. Kelleher, Carol, and Quirk, Daniel. "Age, Functional Capacity and Work: An Annotated Bibliography," Industrial Gerontology, Fall, 1973

3. Kunze, Karl. "Age and Aspects of Work," Proceedings of the Northwest Training Institute - "Employment of Older Persons: Tools, Techniques and Models," Port Washington, N.Y., Clearinghouse on Employment for the Aging, 1976

4. McConnell, Stephen R., and Morgan, Leslie A. The Older Worker: A Selected Bibliography, Los Angeles, California, Ethel Percy Andrus Gerontology Center, University of Southern California, 1979

5. Meier, Elizabeth, and Kerr, Elizabeth. "Capabilities of Middle-Aged and Older Workers: A Survey of the Literature," Industrial Gerontology, Summer, 1976

Some Journals of Interest

1. Aging and Work (formerly Industrial Gerontology), The National Council on the Aging, 1828 L Street, N.W., Washington, D.C. 20036

2. The Gerontologist, The Gerontological Society, 1 Dupont Circle, Washington, D.C. 20036

3. The Harvard Business Review, Soldiers Field, Boston, Mass. 02163

4. The Journal of Applied Psychology, The American Psychological Association, 1200 17th Street, N.W. Washington, D.C. 20036

5. The Journal of Gerontology, The Gerontological Society, 1 Dupont Circle, Washington, D.C. 20036

6. Monthly Labor Review, U.S. Department of Labor, Bureau of Labor Statistics, Superintendent of Documents, U.S. Government Printing Office, Washington, D.C.

7. Pension World, 461 Eighth Avenue, New York, N.Y. 10001

8. The Personnel Administrator, The American Society for Personnel Administration, 19 Church Street, Berea, Ohio 44017

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ORGANIZED LABOR PARTICIPANT QUESTIONNAIRE

INDUSTRY CONFERENCE ON EMPLOYMENT AND RETIREMENT

May 18-20, 1980

Annapolis, Maryland

Directions

This is an anonymous questionnaire. We would appreciate it if you could answer it and return it to us soon, in the self-addressed envelope enclosed. We realize you may not have all the answers, but we would be grateful for those answers you can provide. Our purpose is not to identify specific positions, policies or practices with specific unions, but to get a general sense of organized labor's viewpoint on issues of older worker employment and retirement. We'd also like to know which issues you'd like to see dealt with in the forthcoming conference

Thank you

PART A

1. From an organized labor point of view, do you think a policy to permit older workers to continue to work after age 65 is a wise one?

_____yes _____no

If yes, explain_____

_____

_____

If no, what options do you suggest to assure adequate income for such individuals in inflationary times?

_____

_____

_____

2. Do your contracts include early retirement provisions?

_____yes _____no

If yes, explain the formula_____

_____

_____

3. Which of your membership (by occupation, personal circumstances, etc.) is most likely to retire early? Explain.

_____

_____

_____

4. Which of your membership is most likely to wish to defer retirement? Explain.

_____

_____

_____

5. Do you currently have provisions in your contracts for the following:

	yes	no
sabbatical leave programs	( )	( )
required retirement preparation programs	( )	( )
retraining programs for older workers	( )	( )
vesting of pensions	( )	( )
portability of pensions	( )	( )
ratio clauses	( )	( )

6. Do your retirees retain full union membership? ____yes ____no

   If no, explain _____

   _____

   _____

7. Do you think it may be necessary in the future to bargain, on behalf of your retirees, with regard to pensions and benefits?

   _____yes _____no

   If yes, explain _____

   _____

   _____

8. Do your present contractual provisions on seniority work against older members?

   _____yes _____no

   Explain _____

   _____

   _____

9. In terms of collective bargaining, how do you view the following issues:

	Not Desirable	Desirable but not feasible	Feasible	A Priori
Accrual of pension and benefit credits past age 65	( )	( )	( )	( )

(continued)

How do you view the following issues?(continued)

	Not Desirable	Desirable but not Feasible	Feasible	A Priority
Extended part-time work options for older members, along with partial retirement benefits	( )	( )	( )	( )
Utilization of pension funds (without reduction of benefits) as a partial resource for vested workers in search of second careers	( )	( )	( )	( )

10. Are there other older worker issues which you would like to see collectively bargained?

_____

_____

_____

11. Are there other policies or practices which you would like to see you union adopt to benefit older working members?

_____

_____

_____

_____

(continued)

PART B

Which five of the following issues do you consider most need the attention of national policy-makers? Please add your own if necessary. Number the issues you have checked in order of importance.

( ) A defined older worker policy to prevent the decline in labor force participation of older age groups

( ) Revisions in the Social Security system (funding, benefit levels, age limits)

( ) Mandatory private pension coverage for all workers

( ) Mandatory Social Security coverage for all workers

( ) Amendment of ERISA to facilitate partial or gradual retirement

( ) Extension of ERISA to public employees

( ) A nationally sponsored second career training programs for workers over 50

( ) A long-term unemployment program for job-losers over 50.

( ) Affirmative action provisions for older job-seekers

( ) A greater effort on the part of government to stimulate part-time employment of retirees (through C.E.T.A., the Senior Community Service Employment Program, subsidies and tax incentives to employers and unions)

( ) Strengthening ADEA to add further protections to older workers

( ) Abolishing mandatory retirement

( ) Better information from government on the composition of local labor force

( ) Greater effort on the part of government to provide employers and unions with research findings on older worker abilities and ways to accommodate them

( ) A full employment policy

( ) More adequate health coverage for older persons

( ) Negative income tax or other form of minimum income maintenance

( ) Better coordination of federal programs -- e.g., employment and training programs

( ) Programs and policies to strengthen service to older job-seekers in the U.S. Employment service system

(use over, if necessary)

MANAGEMENT PARTICIPANT QUESTIONNAIRE

INDUSTRY CONFERENCE ON EMPLOYMENT AND RETIREMENT

Annapolis, Maryland
May 18-20, 1980

DIRECTIONS

This is an anonymous questionnaire. We'd appreciate it if you'd return it, unsigned in the self-addressed envelope enclosed.

The questionnaire consists of two parts. PART A relates to your opinions on national policy priorities for older worker employment and retirement. We'd like to know what your personal opinion is one these issues, or others not mentioned, so that we can focus our conference appropriately.

PART B, which is fairly detailed--but not as long as it looks!--is a survey of participant demographics, needs and practices. We realize you may not be in a position to answer all these questions, but we'd appreciate any answers you can supply. The purpose is to get a general sense of participant perceptions, concerns and approaches, not to identify specific companies with policies and practices.

IF YOU ARE UNABLE TO COMPLETE PART B, PLEASE AT LEAST RETURN PART A.

THANK YOU

CONTENTS

PART A	National Policy Issues	A1 and A2
PART B	Demographics	B1
	Age distribution of the Workforce	B1
	Employment and Retirement Benefits	B1, B2, B3
	Age Discrimination in Employment Act	B3, B4, B5, B6

PART A

I. Which five of the following issues do you consider most need the attention of national policy-makers? Please add your own, if necessary, and number the issues you have checked in order of importance.

( ) A defined older worker policy to prevent the decline in labor force participation of older age groups

( ) Revisions in the Social Security system (funding, benefit levels, age limits)

( ) Integration of the Social Security and private pension system

( ) Mandatory Social Security coverage for all workers

( ) Amendment of ERISA to facilitate partial or gradual retirement

( ) Extension of ERISA to public employees

( ) Incentives or assistance from government to facilitate the retention of older workers (e.g., in defraying increased costs)

( ) Strengthening ADEA to add further protections to older workers

( ) Abolishing mandatory retirement

( ) Including age as a separate category under Title IX of the Civil Rights Act

( ) Special efforts on the part of EEOC to assure full conciliation opportunity prior to ADEA litigation

( ) A greater effort on the part of government to provide employers and unions with research findings on older worker abilities and how to accommodate them

( ) Better information from government on the composition of the local labor force

( ) A greater effort on the part of government to stimulate part-time employment of retirees (through tax incentives, etc.)

(add your own)

( )

( )

( )

PART A (page two)

II. List the three most important issues you would like to see dealt with by this conference and by the White House Conference on the Aging

PART B

I. Demographics

a. Number of employees: Exempt_____ Non-exempt_____ Hourly _____

b. Number of unionized employees, if any _____

c. Number of plants _____

d. Geographic location of plants _____

_____

e. Type of industry (SIC Classification) _____

II. Age Distribution of the Workforce

a. Has your company conducted an analysis of the comparative age composition of your workforce? _____yes _____no

b. If so, what, briefly, are your findings? _____

_____

_____

_____

c. Do you have, or do you anticipate, any problems regarding the age mix of the workforce? (e.g., too great a concentration at one end of the age span or in one area of the business) ____yes ____Nc

Explain: _____

_____

_____

_____

III. Employment and Retirement Benefits

a. What type of post-retirement benefits, if any, do you provide, in addition to those required under ERISA?

___Supplemental income? ___Survivor benefits? ___Disability?

___Other (specify)_____

PART B - page two

Employment and Retirement Benefits (continued)

c. Are your pension plans indexed? ___yes

___no

If so, how?_____

_____

_____

d. At what age can your employees retire with full pension benefits ("normal retirement age")? _____

e. Do you have an early retirement option? _____yes _____no

At what age and what formula?_____

_____

_____

f. What are the advantages of an early retirement system?_____

_____

_____

_____

What are the disadvantages?_____

_____

_____

g. Are there provisions in your personnel and retirement policies for flexible retirement options?

___"phased retirement" ___sabbatical leaves

___ partial retirement ___other (specify) _____

h. Do you have any arrangements for rehiring your retired personnel (for consultancy or other special assignments)?

___yes ___no

Explain: _____

_____

_____

Employment and Retirement Benefits (continued)

i. What are the advantages and disadvantages of these arrangements

_____

_____

_____

IV. Age Discrimination in Employment Act

As a result of the 1978 Amendments to the ADEA, the age of mandatory retirement has been raised to 70 in most instances in the private sector. How will this affect your company?

a. Estimate the percentage of your workforce approaching age 65 which is likely to remain with you over the next five years. (guess, if necessary) _____

b. Do you expect this percentage of 65+ employees to grow in the coming decades? ___yes ___no Explain: _____

_____

_____

c. Do you expect early retirement rates to change in the coming decades? ___yes ___no Explain: _____

_____

_____

d. What categories of workers (by occupational level, personal circumstances, etc.) are most likely to remain beyond "normal retirement age"? _____

_____

_____

PART B - page four

Age Discrimination in Employment Act (continued)

e. How do you anticipate raising mandatory retirement age will affect internal promotional opportunities in your company ...

in the short range_____

_____

_____

in the long range_____

_____

_____

Will opportunities for women and minorities be affected?

___yes ___no Explain: _____

_____

_____

f. What problems, if any, could raising mandatory retirement age create for productivity and job performance of older employees?

_____

_____

_____

g. What changes, if any, have you made in your benefits systems since the enactment of the 1978 amendments? _____

_____

_____

- Has your group term life insurance been affected? ___yes ___no

Explain: _____

_____

- Have your short-term or long-term disability plans been affected?

_____ How: _____

_____

Age Discrimination in Employment Act (continued)

- Do you have special benefits plans for your older employees? (e.g, "benefit package" adjustments, medical plans which supplement medicare, etc.)

_____

_____

_____

- Do you accrue pension credits for years of service beyond age 65? ___yes ___no

h. Do you think raising mandatory retirement age will affect the ability of older employees to maintain a high level of performance? ___yes ___no Explain: _____

_____

_____

i. Have you, or will you change your performance appraisal system as a result of older employees remaining with you longer?

___yes ___no

If so, how is this likely to impact on older employees? _____

_____

_____

_____

j. What technical information do you think companies most need to conform to the amended Age Discrimination in Employment Act?

_____

_____

_____

Age Discrimination in Employment Act

k. Where is an individual generally most likely to encounter age discrimination in employment (rank in order of importance)?

___Hiring ___Termination

___Training ___Other (specify) _____

___Promotion

l. What personnel policies or practices are potentially most valuable in counteracting age discrimination in employment and/or encouraging older worker retention? (e.g., career counseling, job redesign, retraining, skills upgrading, etc.)

_____

_____

_____

_____

_____

_____

THANK YOU!

The following questions from the conference evaluation questionnaire relate to national policy issues. Responses were used in developing the final recommendations for consideration by the White House Conference on Aging.

- What were some of the key issues dealt with at this Conference?

- What are some key issues which this Conference should have explored, but failed to do so?

- What are some of the salient recommendations which this Conference developed for the WHCOA?

- Any other comments?

ADELPHI UNIVERSITY

CENTER ON AGING

Adelphi University is a private university with 12,000 students located in suburban Long Island, New York. The University has had a 30-year record in the field of aging through its human service disciplines. The Center on Aging was established in 1975 by President Timothy Costello to expand the University's efforts in gerontological education, research, service and resource development. Professor Elaine B. Jacks, M.S., R.N. is Director of the Center. Norman Sprague is Staff Associate and Hilary Fleming Knatz is Research and Editorial Associate, Employment and Retirement Programs.

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